

1 DAVID M. POITRAS – Bar No. 141309
2 SUSAN K. SEFLIN - Bar No. 213865
3 JESSICA S. WELLINGTON - Bar No. 324477
4 **BG LAW LLP**
5 21650 Oxnard Street, Suite 500
6 Woodland Hills, CA 91367
7 Telephone: (818) 827-9000
8 Facsimile: (818) 827-9099
9 Email: dpoitras@bg.law
sseflin@bg.law
jwellington@bg.law

10 Attorneys for Chapter 11 Debtors and
11 Co-Plan Proponents

12 JEFFREY I. GOLDEN – Bar No. 133040
13 RYAN W. BEALL - Bar No. 313774
14 **GOLDEN GOODRICH LLP**
15 3070 Bristol Street, Suite 640
16 Costa Mesa, CA 92626
17 Telephone: (714) 966-1000
18 Facsimile: (714) 966-1002
19 Email: jgolden@golden-goodrich.com
rbeall@golden-goodrich.com

20 Attorneys for Official Committee of Unsecured
21 Creditors of Irwin Naturals and Irwin Naturals Inc.
22 and Co-Plan Proponents

23 **UNITED STATES BANKRUPTCY COURT**
24 **CENTRAL DISTRICT OF CALIFORNIA**
25 **SAN FERNANDO VALLEY DIVISION**

26 In re

27 Irwin Naturals¹ *et al.*,

28 Debtors and Debtors
in Possession.

29 Case No. 1:24-bk-11323-VK

30 Chapter 11

31 (Jointly Administered with: Case No. 1:24-bk-
32 11324-VK. Case No. 1:24-bk-11325, and Case
33 No. 1:24-bk-11326-VK)

34 **JOINT DISCLOSURE STATEMENT**
35 **DESCRIBING DEBTORS' AND**
36 **COMMITTEE'S JOINT CHAPTER 11 PLAN**
37 **OF REORGANIZATION**

38 **Plan Objection Deadline: 10:00 p.m. PDT on**

39 **Ballot Deadline: 10:00 p.m. PDT on**

40 **Disclosure Statement Hearing:**

41 Date: October 1, 2025
42 Time: 2:00 p.m.

43 **Confirmation Hearing:**

44 Date: TBD
45 Time: TBD
46 Place: Courtroom 301
47 21041 Burbank Blvd
48 Woodland Hills, CA 91367

49

50 Affects Irwin Naturals, a Nevada corporation,
51 *dba* IN Holdings, Inc.

52 Affects Irwin Naturals, Inc. *dba* IN Holdings
53 Canada, Inc.

54 Affects 5310 Holdings, LLC

55 Affects DAI US HoldCo Inc.

56 Affects All Debtors

57

58 ¹ Irwin Naturals' name has changed to IN Holdings, Inc. and Irwin Naturals, Inc.'s name has changed to
59 IN Holdings Canada, Inc. Debtors filed a motion shortly to update the names.

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
A. Purpose of this Disclosure Statement.	7
B. Purpose and Effect of the Plan.....	8
C. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing.....	9
1. Time and Place of the Plan Confirmation Hearing.....	9
2. Deadline for Voting For or Against the Plan	9
3. Deadline for Objecting to the Confirmation of the Plan.....	9
D. Identity of Persons to Contact for More Information Regarding the Plan.....	10
E. Disclaimer.....	10
F. Forward-Looking Statements.....	11
II. DEFINITIONS AND EXHIBITS.....	12
A. Definitions.....	12
B. Exhibits.	23
C. Computing Time Periods.	23
D. Notices and Delivery of Documents.	23
III. BACKGROUND	24
A. Description and History of the Debtors' Business and a Summary of the Circumstances that Led to the Filing of the Debtors' Chapter 11 Cases.....	24
1. <u>General Background.</u>	24
2. <u>The Debtors' Prepetition Lenders and Events Leading to the Debtors'</u> <u>Chapter 11 Filings.</u>	24
3. <u>The Debtors' Other Indebtedness.</u>	26
B. Management, Principals, and Affiliates of the Debtors' Business.	26
C. Litigation.....	27
1. Media Max Network, LLC v. Media Brokers International, Inc. et al. [IN Nevada]	27
2. Reese v. Irwin Naturals, et al. [IN Nevada]	27

1	3.	Vaughn v. Irwin Naturals [IN Nevada].....	28
2	4.	(In re: Bed Bath & Beyond, Inc., et al., Debtor) Adversary proceeding: Michael Goldberg, as Plan Administrator for 20230930-DK-Butterfly- 1, Inc., (f/k/a Bed Bath & Beyond Inc.) v. Irwin Naturals et al. [IN Nevada].....	28
3	5.	EMA Anesthesia v. Irwin Naturals Emergence, et al. [IN Canada]	29
4	6.	Benvenutti v. Irwin Naturals [IN Nevada].....	29
5	7.	Dawn Patrol DBA Full Stream Group v. Irwin Naturals [IN Nevada].....	29
6	8.	Avi Jones v. Irwin Naturals	30
7	9.	Rebecca Rausch, et al. v. Applied Nutrition.....	30
8	D.	Significant Events During the Bankruptcy.	30
9	1.	First Day Motions.	31
10	2.	Appointment of Committee.	32
11	3.	Employment of Professionals.	32
12	4.	Additional Cash Collateral Motions.	35
13	5.	Independent Director.	35
14	6.	Claim Objections.	36
15	7.	Prosecution of Avoidance Actions & Other Potential Claims.....	36
16	8.	Exclusivity.	37
17	9.	Competing Plans.	37
18	10.	Sale.....	38
19	IV.	CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN	39
20	A.	What Creditors and Interest Holders Will Receive Under the Plan.....	39
21	B.	Unclassified Claims.	39
22	1.	Administrative Claims.	39
23	2.	Priority Tax Claims.....	43
24	C.	Classified Claims and Interests.....	44
25	1.	Class of Secured Claims.	44
26	2.	Classes of Priority Unsecured Claims.....	45
27			
28			

1	3. Classes of General Unsecured Claims	46
2	4. Classes of Interest Holders.....	47
3	D. Means of Effectuating the Plan and Implementation of the Plan	47
4	1. Plan Funding.....	47
5	2. Composition of the Debtors Post-Confirmation.....	48
6	3. Plan Distribution Trust.....	48
7	a. Establishment of the Plan Distribution Trust.....	48
8	b. Plan Distribution Trust Assets	48
9	c. The Term of the Plan Distribution Trust.....	49
10	d. The Plan Distribution Trustee.....	49
11	(i) Appointment	49
12	(ii) Term of the Plan Trustee	50
13	(iii) The Plan Distribution Trustee's Powers and Duties	50
14	(iv) Trust Distributions	52
15	(v) Federal Income & Taxation of the Plan Distribution Trust	52
16	(vi) Beneficiaries of the Plan Distribution Trust	52
17	(vii) Subordination	53
18	4. Objections to Claims.....	53
19	5. Payment Upon Resolution of Disputed Claims.....	54
20	6. Reservation of Rights of Reorganized Debtors to Prosecute Post-Bankruptcy Litigation	55
21	(i) <u>Lenders</u>	55
22	(ii) <u>Insiders</u>	55
23	(iii) <u>Other Claims</u>	56
24	7. Payment of Professional Fees and Expenses Incurred After the Effective Date	56
25	8. Distributions to Be Made Pursuant to the Plan.....	56
26	9. Corporate Matters.....	57
27	10. Release of Liens.....	57

1	11. Exemption from Transfer Taxes.....	57
2	12. Exculpations and Releases.....	58
3	E. Other Provisions of the Plan.....	58
4	1. Executory Contracts and Unexpired Leases.....	58
5	2. Risk Factors.....	59
6	3. Changes in Rates Subject to Regulatory Commission Approval.....	59
7	F. Retention of Jurisdiction.....	59
8	G. Amendments to Corporate Documents.....	61
9	H. Dissolution of the Committee.....	61
10	I. Miscellaneous Issues Regarding Plan Distribution.....	61
11	1. No Fractional Distributions.....	61
12	2. Name and Address of Holder of Claim.....	61
13	3. Unclaimed Distribution.....	61
14	4. De Minimus Cash Distributions.	62
15	V. IRS CIRCULAR 230 NOTICE	62
16	VI. TAX CONSEQUENCES OF THE PLAN	62
17	VII. CONFIRMATION REQUIREMENTS AND PROCEDURES	63
18	A. Who May Vote or Object.....	63
19	B. Who May Vote to Accept/Reject the Plan.....	63
20	C. What Is an Allowed Claim/Interest.....	63
21	D. What Is an Impaired Claim/Interest.....	64
22	E. Who Is <u>Not</u> Entitled to Vote.	64
23	F. Who Can Vote in More Than One Class.	65
24	G. Votes Necessary to Confirm the Plan.	65
25	H. Votes Necessary for a Class to Accept the Plan.	65
26	I. Treatment of Non-accepting Classes.	65
27	J. Request for Confirmation Despite Nonacceptance by Impaired Class(es).....	65
28	K. Liquidation Analysis.	66

1	L.	Feasibility.....	67
2	VIII.	EFFECT OF CONFIRMATION OF THE PLAN	68
3	A.	Discharge	68
4	B.	Continuing Stay/Injunction.....	69
5	C.	Modification of the Plan.	70
6	D.	Post-Confirmation Status Reports.....	71
7	E.	United States Trustee Reporting Obligations and Fees.	71
8	F.	Post-Confirmation Conversion/Dismissal – Local Bankruptcy Rule 3020-1(e). ..	71
9	G.	Final Decree.....	71
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			

TABLE OF AUTHORITIES

Page

CASES

<i>In re Barakat,</i> 99 F.3d 1520 (9th Cir. 1996), <i>cert. denied</i> , 520 U.S. 1143 (1997).....	64
--	----

STATUTES

11 U.S.C. § 101.....	14
11 U.S.C. § 1102.....	15, 32
11 U.S.C. § 1103.....	20, 21
11 U.S.C. § 1112(b).....	71
11 U.S.C. § 1125.....	16
11 U.S.C. § 1127.....	60
11 U.S.C. § 1129.....	57
11 U.S.C. § 1129(a)(8).....	65
11 U.S.C. § 1129(b).....	65
11 U.S.C. § 1141.....	68
11 U.S.C. § 1141(d)(1)(A).....	68
11 U.S.C. § 1141(d)(1)(A)(i)	69
11 U.S.C. § 1141(d)(1)(A)(ii)	69
11 U.S.C. § 1141(d)(1)(A)(iii)	69
11 U.S.C. § 1146(c)	57
11 U.S.C. § 327.....	20, 21
11 U.S.C. § 328.....	21
11 U.S.C. § 329.....	21
11 U.S.C. § 330.....	20, 21
11 U.S.C. § 330(a)	13
11 U.S.C. § 331.....	13, 20, 21
11 U.S.C. § 501.....	69

1	11 U.S.C. § 502(c)	54
2	11 U.S.C. § 502(g)	23, 69
3	11 U.S.C. § 502(h)	69
4	11 U.S.C. § 502(i)	69
5	11 U.S.C. § 503(b)	12, 21
6	11 U.S.C. § 503(b)(2)	21
7	11 U.S.C. § 503(b)(3)(D)	21
8	11 U.S.C. § 503(b)(4)	20, 21
9	11 U.S.C. § 506(a)	22
10	11 U.S.C. § 507(a)	20
11	11 U.S.C. § 507(a)(1)	39, 40, 64
12	11 U.S.C. § 507(a)(2)	12, 64
13	11 U.S.C. § 507(a)(3)	45
14	11 U.S.C. § 507(a)(4)	45
15	11 U.S.C. § 507(a)(5)	45
16	11 U.S.C. § 507(a)(6)	45
17	11 U.S.C. § 507(a)(7)	45
18	11 U.S.C. § 507(a)(8)	20, 43, 64
19	11 U.S.C. § 510	13
20	11 U.S.C. § 521	22
21	11 U.S.C. § 541	13
22	11 U.S.C. § 542	13
23	11 U.S.C. § 544	13
24	11 U.S.C. § 545	13
25	11 U.S.C. § 547	13
26	11 U.S.C. § 551	13
27	11 U.S.C. § 553	13, 22
28	28 U.S.C. § 1930	13

1 28 U.S.C. § 1930(a)(6).....40, 72

2 **RULES**

3 Federal Rules of Bankruptcy Procedure 100056

4 Federal Rules of Bankruptcy Procedure 100922

5 Federal Rules of Bankruptcy Procedure 3020(e).....1

6 Federal Rules of Bankruptcy Procedure 302271

7 Federal Rules of Bankruptcy Procedure 9006(a).....14, 23

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1 ****IN Holdings, Inc., a Nevada corporation, *fka* Irwin Naturals and its related debtor entities**
2 (collectively, the “Debtors”), and the Official Committee of Unsecured Creditors appointed in the
3 bankruptcy cases of IN Nevada and IN Holdings Canada, Inc. are the proponents of this joint
4 disclosure statement (as may be further amended or modified, the “Disclosure Statement”) and
5 accompanying joint chapter 11 plan (as may be further amended or modified, the “Plan”). The
6 Debtors and the Committee (the “Plan Proponents”) reserve the right to make further amendments
7 and modifications to this Disclosure Statement.

8 **THE PLAN PROPONENTS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE**
9 **ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT**
10 **WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE PLAN**
11 **PROPONENTS HAVE NOT AUTHORIZED ANY REPRESENTATION CONCERNING**
12 **THE DEBTORS, THE COMMITTEE, THE VALUE OF THE DEBTORS’ PROPERTY OR**
13 **THE TREATMENT OF CLAIMS OTHER THAN AS SET FORTH IN THIS DISCLOSURE**
14 **STATEMENT.**

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I. INTRODUCTION

2 IN Holdings, Inc. (“IN Nevada”) *fka* Irwin Naturals, a Nevada corporation, IN Holdings
3 Canada, Inc. (“IN Canada”) *fka* Irwin Naturals, Inc., a British Columbia corporation, DAI US
4 HoldCo, Inc. (“DAI”) and 5310 Holdings, LLC (“5310” and collectively, with IN Nevada, IN
5 Canada and DAI, each a “Debtor” and collectively, the “Debtors”) are the chapter 11 debtors in
6 possession in the above-captioned chapter 11 bankruptcy cases. On August 9, 2024, the Debtors
7 commenced their bankruptcy cases by filing voluntary petitions under chapter 11 of the United
8 States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (“Bankruptcy Code”). These cases are pending
9 before the Honorable Victoria Kaufman, United States Bankruptcy Judge for the Central District of
10 California (the “Court” or “Bankruptcy Court”). The Official Committee of Unsecured Creditors
11 (the “Committee”) was appointed in the bankruptcy cases of IN Nevada and IN Canada on August
12 31, 2024. The Debtors and the Committee (collectively, the “Plan Proponents”) are jointly filing this
13 disclosure statement (as may be further amended or modified, the “Disclosure Statement”) which
14 describes the Plan Proponents’ *Chapter 11 Plan of Reorganization* (as may be further amended or
15 modified, the “Plan”).

16 Chapter 11 allows the Debtors, and, under some circumstances, creditors and other parties in
17 interest, to propose a plan of reorganization. A plan may provide for a debtor to reorganize by
18 continuing to operate, to liquidate by selling the assets of its estate, or a combination of both. This
19 Plan is a reorganizing plan. The Debtors and the Committee are the parties proposing the Plan.

**THIS DOCUMENT IS THE DISCLOSURE STATEMENT FOR THE PLAN
PROPOSAL FOR THE PROPOSED PLAN OF REORGANIZATION.**

22 The effective date (“Effective Date”) of the plan will be the second business day after entry
23 of the order confirming the Plan (the “Confirmation Order”), provided the Bankruptcy Court has
24 waived the provisions of Rule 3020(e) of the Federal Rules of Bankruptcy Procedure (the
25 “Bankruptcy Rules”) and no stay of the Confirmation Order is in effect.²

27 ² If the Bankruptcy Court does not waive the provisions of Bankruptcy Rule 3020(e), then the
28 Effective Date will be the second business day which is at least fifteen (15) days following the date
of entry of the Confirmation Order, assuming there has been no appeal from and order staying the
effectiveness of the Confirmation Order. If there has been an order entered staying the effectiveness

1 The Plan described in this Disclosure Statement is a reorganizing plan – which will be
2 funded by the sale proceeds from the sale of the Debtors’ supplement business, which sale closed on
3 August 8, 2025. Among other assets, the Debtors retain significant net operating losses (“NOLs”)
4 and are in the process of determining whether they start a new consumer packaged goods business
5 and/or merge with an existing consumer packaged goods business. The Plan provides for, among
6 other things, (a) the appointment of a plan distribution agent (the “Plan Distribution Trustee”) and
7 the creation of a plan distribution trust (the “Plan Distribution Trust”) that will hold certain cash
8 sufficient in an amount to pay certain claims (the “Trust Assets”), (b) the distribution of payments by
9 the Plan Distribution Trustee and the Reorganized Debtors in accordance with the Plan, and (c) for
10 the Debtors to continue as going concerns to establish a new business.

11 There are four primary groups of creditor claims and interests in these cases consisting of: (i)
12 priority tax and employee claims; (ii) the claims of the Debtors’ pre-petition secured creditors (i.e.,
13 creditors who purport to assert a lien against certain of the Debtors’ assets as collateral for their
14 alleged claims);³ (iii) the claims of the Debtors’ non-priority general unsecured creditors; and (iv)
15 the equity interests of the Debtors’ current shareholders.

16 The following is a summary of the Plan:

17 1. Reorganization: The Plan provides for a reorganization with all four entities to emerge
18 as Reorganized Debtors. Among other assets, the Debtors have significant NOLs and intend on
19 starting a new consumer packaged goods business and/or acquiring a consumer packaged goods
20 business.

21 2. Plan Funding: The Debtors currently have \$23,537,132.20 in cash, which is more than
22 sufficient to pay all allowed claims in full, with interest if applicable.

23 3. The Plan segregates Claims⁴ into Classes and treats them as summarized immediately

25 of the Plan Confirmation Order, the Effective Date shall be the second business day after the stay is
26 no longer in effect with respect to the Confirmation Order.

27 ³ The Debtors do not intend, nor should any provision of either the Plan or Disclosure Statement be
28 construed, as an admission of any kind as to the nature, extent, or priority of any purported lien(s),
encumbrance(s), or charge(s) of any kind, nature, or extent against the Debtors’ assets or property.

28 ⁴ Any capitalized term not yet defined will be defined in Article II of this Disclosure Statement.

1 below, which summaries are subject to the provisions specified in Article IV below and in Article III
2 of the Plan. The following is a summary of the Plan:

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
N/A	Administrative Claims (Professional Fees)	Estimated Between Approximately \$3 million and \$5.5 million.	Full payment, subject to Bankruptcy Court approval as may be required. Payment to be made by the Plan Distribution Trustee.
N/A	Administrative Claims (Incurred in the Ordinary Course of Business)	Estimated at \$50,000	Allowed Administrative Claims representing post-Petition Date liabilities incurred by the Debtors in the ordinary course of business, for which no approval by the Bankruptcy Court is required, shall be paid in full in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such liabilities and any agreements relating thereto. The Reorganized Debtors are responsible for these payments (and not the Plan Distribution Trust).
N/A	Priority Tax Claim of Canada Revenue Agency	Estimated at \$17,438.37.	Full payment within fourteen days of the Effective Date. Payment to be made by the Plan Distribution Trustee.
N/A	Priority Tax Claim of CA Department of Tax and Fee Administration	Estimated at \$2,697.30.	Full payment within fourteen days of the Effective Date. Payment to be made by the Plan Distribution Trustee.
N/A	Priority Tax Claim of State of Washington	Estimated at \$907.62.	Full payment within fourteen days of the Effective Date. Payment to be made by the Plan Distribution Trustee.
N/A	Priority Tax Claim of Massachusetts Department of Revenue	Proof of Claim No. 1-1 filed in Case No. 1:24-bk-11326-VK in the amount of \$1,451.53.	The Debtors are in the process of investigating this claim. If allowed, full payment by the Plan Distribution Trustee.
N/A	Priority Tax Claim of Michigan Department of Treasury	Proof of Claim No. 6-1 filed in Case No. 1:24-bk-11326-VK in the amount of \$5,879.43.	The Debtors are in the process of investigating this claim. If allowed, full payment by the Plan Distribution Trustee.
N/A	Priority Tax Claim of Oregon Department of Revenue	Proof of Claim No. 36-2 filed in Case No. 1:24-bk-11323-VK in the amount of \$10,942.54.	The Debtors are in the process of investigating this claim. If allowed, full payment by the Plan Distribution Trustee.
N/A	Priority Tax Claims of	Estimated at \$0.	While the IRS has filed millions of

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
	the Internal Revenue Service ("IRS")		dollars of claims against the Estates, the Debtors' accountant is in the process of resolving each alleged claim. The Debtors do not believe that they will ultimately have any liability to the IRS. To the extent the IRS has Allowed Claims in these cases, they will be paid in full within the later of fourteen days of the Effective Date or entry of an order allowing the IRS claim(s) by the Reorganized Debtors (and not by the Plan Distribution Trustee).
N/A	Priority Tax Claim of Franchise Tax Board ("FTB")	<p>Proof of Claim No. 2-1 filed in Case No. 1:24-bk-11323-VK in the amount of \$2,854.52.</p> <p>Proof of Claim No. 60-1 filed in Case No. 1:24-bk-11323-VK in the amount of \$98,210.37.</p> <p>Proof of Claim No. 5-1 filed in Case No. 1:24-bk-11326-VK in the amount of \$26,394.93.</p> <p>Estimated at \$3,000</p>	The Debtors believe the FTB's claims will be reduced significantly once they file their 2023 tax returns. To the extent the FTB has an allowed claim, such amount will be paid by the Plan Distribution Trustee. The Debtors believe they owe less than \$3,000 to the FTB.
1	<p>Previously Secured claim of East West Bank, as Agent ("EWB") and CFG Bank ("CFG")</p> <p>Collateral Description: None. EWB has been paid \$25,658,075.80 post-petition by the Debtors. As such, pursuant to Section 5.06 of the Security Agreement dated February 1, 2023 between the Debtors and EWB (the "Security Agreement"), all security interests granted in the Security Agreement were released and terminated when all obligations were paid in full in cash (other than unasserted contingent indemnification obligations and/or</p>	<p>Filed Claim: Claim 48 [Case No. 11323]: \$19,381,507.84 plus interest and fees.</p> <p>Duplicate Claims:</p> <p>Claim 1 [Case No. 11325] Claim 3 [Case No. 11326] Claim 5 [Case No. 11324]</p>	<p>**The Debtors scheduled this claim as Unliquidated and Disputed and reserve all rights with respect to objecting to amounts paid to EWB for excessive fees and to assert affirmative claims against EWB and CFG.</p> <p>Treatment:</p> <p>The Debtors' position is that EWB has been paid in full and is no longer a secured creditor or otherwise entitled to charge fees and costs to the estates after August 11, 2025.</p> <p>Notwithstanding, if it is determined that EWB is owed any additional amount (other than unasserted contingent indemnification obligations and/or unasserted expense reimbursement obligations), the Plan provides that such claim will be paid in full by the Reorganized Debtors within three (3) business days of the date that EWB submits an accounting and invoice to the Debtors or on the Effective Date in an amount determined by the Bankruptcy Court.</p>

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Class No.	Description		Estimated Amount or Value of Claims as of the Effective Date		Estimated Projected Payment / Treatment for Allowed Claims																						
			unasserted expense reimbursement obligations). *Debtors reserve all their rights to assert claims against EWB		In light of payment in full, the Security Agreement specifically provides that any and all security interests granted by the Security Agreement "shall be released and terminated when all Obligations have been paid in full in cash (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations) and when the Commitments have terminated." See, Section 5.06 of the Security Agreement. Unimpaired. Not Entitled to Vote.																						
10	2	Wage Related Claims (Pre-Petition)	\$5,991.80		Paid in full within fourteen days of the Effective Date by the Plan Distribution Trustee. Impaired; Entitled to Vote																						
11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	<u>Treatment:</u> Allowed General Unsecured Claims will be paid in full within fourteen days of the Effective Date (assuming the Plan Distribution Trustee is in possession of a W-9 for each creditor holding an Allowed Claim) ⁵ by the Plan Distribution Trustee. Interest shall accrue at the California default state law rate of 10% on all Allowed General Unsecured Claims commencing as of the Petition Date. Upon resolution of the Debtors' objections to disputed General Unsecured Claims, the respective claimants shall be paid their Allowed General Unsecured Claim in full within ten (10) days of a final non-appealable order allowing such claim. The treatment proposed herein shall be in full settlement and satisfaction of all General Unsecured Claims. Impaired; Entitled to Vote									
26	27	28	⁵ If the Debtors and/or the Plan Distribution Trustee are not in possession of a W-9 for any creditor, the Debtors and/or the Plan Distribution Trustee will send a written request to such creditor(s). Payment will be paid only after the receipt of a W-9 from such creditor.																								

Class No.	Description	Estimated Amount or Value of Claims as of the Effective Date	Estimated Projected Payment / Treatment for Allowed Claims
4	General Unsecured Claim of Insider Klee Irwin	\$1,035,682.49 (plus 4.43% interest from the Petition Date) Subordinated Promissory Note Dated October 19, 2023 Proof of Claim No. 55	<u>Treatment:</u> Subordinated to Allowed General Unsecured Claims of non-insiders. Paid in full after the payment in full of Class 3 Allowed Claims by the Plan Distribution Trustee. Impaired; Entitled to Vote
5	General Unsecured Claim of Insider Mark Green	\$1 million due only upon certain types of liquidation events as described in the contract Proof of Claim No. 63	<u>Treatment:</u> Subordinated to Allowed General Unsecured Claims of non-insiders. Late filed and no basis for claim per contract terms. The Debtors intend to object. If allowed, payment in full after payment in full of Class 3 Allowed Claims by the Plan Distribution Trustee. Impaired; Entitled to Vote
6	<u>IN Holdings, Inc. ("IN Nevada")</u> Equity Interests of Klee Irwin (90% Non-Voting Interest), Klee & Margareth Irwin Children's Trust (10% Non-Voting Interest) and DAI US HoldCo, Inc. (100% Voting Interest)	IN Nevada's current equity holders who collectively own 100% of IN Nevada.	<u>Treatment:</u> Equity holders shall retain their respective interests. Unimpaired. Not Entitled to Vote.
7	<u>IN Holdings Canada, Inc. ("IN Canada")</u> - Equity Interest of Public Shareholders	IN Canada owns DAI, which owns 2% of IN Nevada.	<u>Treatment:</u> IN Canada will remain a public company. IN Canada Shareholders may elect their treatment as follows: IN Canada Shareholders will retain their existing number of equity shares unless IN Canada Shareholders vote to receive a pro rata cash distribution of \$225,000 (eligible only for non-insider shareholders). Impaired; Entitled to Vote.
8	<u>DAI US HoldCo</u> Owned 100% by IN Canada		<u>Treatment:</u> All Equity Interest shall remain the same. Unimpaired. Not Entitled to Vote
9	<u>5310 Holdings, LLC</u> Owned 100% by IN Nevada		<u>Treatment:</u> All Equity Interest shall remain the same. Unimpaired. Not Entitled to Vote

1 **A. Purpose of this Disclosure Statement.**

2 This Disclosure Statement summarizes what is in the Plan, and tells you certain information
3 relating to the Plan and the process the Bankruptcy Court follows in determining whether or not to
4 confirm the Plan.

5 **READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO**
6 **KNOW ABOUT:**

7 **(1) WHO CAN VOTE OR OBJECT,**
8 **(2) WHAT THE TREATMENT OF YOUR CLAIM IS (i.e., what, if anything, your**
9 **Claim will receive if the Plan is confirmed) AND HOW THIS TREATMENT COMPARES TO**
10 **WHAT YOUR CLAIM WOULD LIKELY RECEIVE IN A HYPOTHETICAL CHAPTER 7**
11 **LIQUIDATION,**
12 **(3) THE HISTORY OF THE DEBTORS AND SIGNIFICANT EVENTS DURING**
13 **THEIR BANKRUPTCY CASES,**
14 **(4) WHAT THINGS THE COURT WILL LOOK AT TO DECIDE WHETHER**
15 **OR NOT TO CONFIRM THE PLAN,**
16 **(5) WHAT IS THE EFFECT OF CONFIRMATION, AND**
17 **(6) WHETHER THE PLAN IS FEASIBLE.**

18 This Disclosure Statement cannot tell you everything about your rights. The Plan
19 Proponents' counsel cannot tell you about your rights or offer any advice – especially legal advice.
20 You are strongly encouraged to consult your own lawyer to obtain advice on how the Plan will affect
21 you and what is the best course of action for you. This Disclosure Statement may not be relied on
22 for any purpose other than providing you with adequate information, as required by the Bankruptcy
23 Code, to assist you in determining whether to vote to accept or reject the Plan.

24 Be sure to read the Plan as well as this Disclosure Statement. If there are any inconsistencies
25 between the Plan and this Disclosure Statement, the Plan provisions will govern.

26 The Bankruptcy Code requires a Disclosure Statement to contain "adequate information"
27 concerning the Plan. The Bankruptcy Court has approved this document as an adequate Disclosure
28 Statement, containing enough information to enable parties affected by the Plan to make an informed

1 judgment about the Plan. Any party can now solicit votes for or against the Plan.

2 **THE DEBTORS AND THE COMMITTEE HAVE NOT AUTHORIZED ANY**
3 **ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER**
4 **THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE**
5 **DEBTORS AND THE COMMITTEE HAVE NOT AUTHORIZED ANY**
6 **REPRESENTATION CONCERNING THE DEBTORS, THE COMMITTEE, THE VALUE**
7 **OF THE DEBTORS' ASSETS OR THE TERMS OF THE PLAN OTHER THAN AS SET**
8 **FORTH IN THIS DISCLOSURE STATEMENT.**

9 **B. Purpose and Effect of the Plan.**

10 Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under
11 chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and
12 shareholders. If reorganization is not feasible, chapter 11 allows a debtor to formulate and
13 consummate a plan of liquidation, which sets forth the process for the orderly satisfaction of claims
14 against and interests in a debtor pursuant to the priority rules of the Bankruptcy Code.

15 Confirmation of a plan of reorganization by a bankruptcy court makes the plan binding upon
16 the debtor and any creditor or interest holder in a debtor, whether or not such creditor or interest
17 holder (i) is impaired (i.e., will receive less than 100% of its allowed claim) under the plan, (ii) has
18 accepted the plan, or (iii) receives or retains any property under the plan.

19 In these chapter 11 Cases, the Plan provides for the Debtors to emerge from bankruptcy and
20 for Allowed Claims to be paid in full within fourteen days of the Effective Date by the Plan
21 Distribution Trustee, and for the pursuit of certain claims and Causes of Action. Under the Plan,
22 Claims against, and Equity Interests in, the Debtors are divided into Classes according to their
23 relative seniority and other criteria as required under the Bankruptcy Code. If the Plan is confirmed
24 by the Bankruptcy Court and ultimately consummated, the Claims and Equity Interests of the
25 various Classes will be treated in accordance with the provisions in the Plan established for each
26 Class.

27 A summary of the Classes of Claims and Equity Interests, as well as their treatment under the
28 Plan, is set forth above. A more detailed description of the Classes of Claims against the Debtors

1 created under the Plan, the treatment of those Classes under the Plan and the property to be
2 distributed under the Plan is described in Section IV below and in Section III of the Plan.

3 **C. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing.**

4 THE BANKRUPTCY COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED
5 IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE
6 NOT YET BINDING ON ANYONE. HOWEVER, IF THE BANKRUPTCY COURT LATER
7 CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON ALL CREDITORS,
8 INTEREST HOLDERS AND PARTIES IN INTEREST IN THESE CASES.

9 **1. Time and Place of the Plan Confirmation Hearing**

10 The hearing where the Bankruptcy Court will determine whether or not to confirm the Plan
11 (the “Confirmation Hearing”) will take place on _____, before the Honorable Victoria
12 S. Kaufman, United States Bankruptcy Judge for the Central District of California, in Courtroom
13 “301” of the United States Bankruptcy Court, Central District of California (San Fernando Valley
14 Division), located at 21041 Burbank Blvd., Woodland Hills, California 91367. The Confirmation
15 Hearing will be held via ZoomGov. Hearing information is available at [https://ecf-
16 ciao.cacb.uscourts.gov/CiaoPosted/](https://ecf-ciao.cacb.uscourts.gov/CiaoPosted/).

17 **2. Deadline for Voting For or Against the Plan**

18 If you are entitled to vote, it is in your best interest to timely vote on the enclosed ballot
19 (“Ballot”) sent to you as a PDF or via an electronic voting link, and return the Ballot via U.S. Mail,
20 personal delivery, overnight mail or electronically to:

21 Irwin Naturals Ballot Processing
C/O Omni Agent Solutions, Inc.
22 5955 DeSoto Ave., Suite 100
Woodland Hills, CA 91367

23 <https://omniagentsolutions.com/IrwinNaturals-Ballots>

24 **Your Ballot must be received by 10:00 p.m. Pacific time on _____ or it will not be**
25 counted.

26 **3. Deadline for Objecting to the Confirmation of the Plan**

27 Objections to the Confirmation of the Plan must, by **10:00 p.m. Pacific time, on**
28 _____, (a) be filed with the Bankruptcy Court at 21041 Burbank Blvd., Woodland Hills,

1 CA 91367 and (b) be served upon the following:

2 **Debtors (Service Must be by Overnight, U.S. Mail or Messenger)**

3 IN Holdings et al.
4 1968 S. Coast Hwy #5310
Laguna Beach, CA 92651

5 **Counsel for the Debtors**

6 Susan K. Seflin
BG Law LLP
7 21650 Oxnard Street, Suite 500
Woodland Hills, CA 91367
Fax: (818) 827-9099
8 Email: sseflin@bg.law

9 **Counsel for the Committee**

10 Jeffrey I. Golden
Golden Goodrich
11 3070 Bristol St., Ste 640
Costa Mesa, CA 92626
Fax: (714) 966-1002
12 Email: igolden@go2.law

13 **Office of the United States Trustee**

14 Office of the U.S. Trustee
915 Wilshire Blvd., Suite 1850
15 Los Angeles, CA 90017
Email: kate.bunker@usdoj.gov

16 **D. Identity of Persons to Contact for More Information Regarding the Plan.**

17 Any interested party desiring further information about the Plan should contact (1) the
18 Debtors' counsel Susan K. Seflin, Esq., of BG Law LLP, 21650 Oxnard Street, Suite 500, Woodland
19 Hills, California 91367, Phone: (818) 827-9000, Email: sseflin@bg.law, or (2) the Committee's
20 counsel Jeffrey I. Golden, Esq., of Golden Goodrich, 3070 Bristol Street, Suite 640, Costa Mesa,
21 California 92626, Phone: (714) 966-1000, Email: igolden@go2.law. Any request(s) for legal advice
22 with respect to the Plan, however, should be directed to your own counsel.

23 **E. Disclaimer.**

24 The financial data relied upon in formulating the Plan is based on the Debtors' books and
25 records which, unless otherwise indicated, are unaudited. Except as expressly stated, the
26 information contained in this Disclosure Statement is provided by the Debtors. The Debtors
27 represent that everything stated in this Disclosure Statement is true to the best of the Debtors'
28

1 knowledge. The Bankruptcy Court has not yet determined whether the Plan is confirmable and
2 makes no representation as to whether you should support or oppose confirmation of the Plan.

3 The contents of the Disclosure Statement should not be construed as legal, business or tax
4 advice from the Plan Proponents or their counsel.

5 **THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A**
6 **CAREFUL AND DETAILED REVIEW OF THE PLAN BY EACH HOLDER OF A CLAIM**
7 **OR INTEREST. THIS DISCLOSURE STATEMENT IS INTENDED TO AID AND**
8 **SUPPLEMENT SUCH REVIEW. THIS DISCLOSURE STATEMENT IS QUALIFIED IN**
9 **ITS ENTIRETY BY REFERENCE TO THE PLAN. THE PLAN IS THE OPERATIVE**
10 **CONTROLLING LEGAL DOCUMENT. AS SUCH, IF THERE IS ANY INCONSISTENCY**
11 **BETWEEN THE TERMS AND PROVISIONS OF THIS DISCLOSURE STATEMENT AND**
12 **THE PLAN, THEN THE TERMS AND PROVISIONS OF THE PLAN SHALL CONTROL.**
13 **NEITHER THE PLAN, NOR THE DISCLOSURE STATEMENT, SHOULD BE**
14 **CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE FROM THE PLAN**
15 **PROPONENTS OR THEIR COUNSEL.**

16 **BG LAW LLP COMMENCED REPRESENTATION AS GENERAL**
17 **RESTRUCTURING COUNSEL TO THE DEBTORS IN AUGUST OF 2024 AND HAS**
18 **RELIED UPON INFORMATION DEVELOPED SINCE THEN IN CONNECTION WITH**
19 **THE PREPARATION OF THIS DISCLOSURE STATEMENT. PROVINCE, LLC WAS**
20 **RETAINED AS FINANCIAL ADVISOR FOR THE COMPANY IN AUGUST OF 2024 AND**
21 **HAS RELIED UPON INFORMATION RECEIVED FROM THE DEBTORS TO PREPARE**
22 **THE LIQUIDATION ANALYSIS AND FINANCIAL PROJECTIONS ATTACHED AS**
23 **EXHIBITS.**

24 **F. Forward-Looking Statements.**

25 CERTAIN OF THE INFORMATION CONTAINED IN THIS DISCLOSURE
26 STATEMENT IS BY ITS NATURE FORWARD LOOKING AND CONTAINS ESTIMATES
27 AND ASSUMPTIONS THAT MAY BE MATERIALLY DIFFERENT FROM ACTUAL FUTURE
28 RESULTS. Except as otherwise specifically and expressly stated herein, this Disclosure Statement

1 does not reflect any events that may occur subsequent to the date hereof and that may have a
2 material impact on the information contained in this Disclosure Statement. The Debtors do not
3 anticipate that any amendments or supplements to this Disclosure Statement will be distributed to
4 reflect such occurrences. Accordingly, the filing of this Disclosure Statement shall not under any
5 circumstance imply that the information herein is correct or complete as of any time *subsequent* to
6 the date hereof.

7 THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED
8 BY A CERTIFIED PUBLIC ACCOUNTING FIRM AND HAS NOT BEEN PREPARED IN
9 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

10 **II. DEFINITIONS AND EXHIBITS**

11 **A. Definitions.**

12 For the purposes of this Disclosure Statement, except as expressly provided or unless the
13 context otherwise requires, all capitalized terms not otherwise defined shall have the meanings
14 ascribed to them in this Article II. Any term used in this Disclosure Statement that is not defined
15 herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning(s)
16 ascribed to such terms in the Bankruptcy Code or the Bankruptcy Rules, in that order or priority.
17 Throughout this Disclosure Statement, the use of the masculine, feminine, neuter, plural or singular
18 shall be understood to include each of the others as the context may reasonably dictate. As used in
19 this Disclosure Statement, the following definitions shall apply:

20 **1. 5310.** One of the four jointly administered affiliated Debtors, 5310 Holdings,
21 LLC (“5310”), Case No. 1:24-bk-11325-VK, is a wholly owned subsidiary of IN Nevada, and
22 previously owned substantially all of the Debtors’ intellectual property. 5310 will become a
23 Reorganized Debtor and will hold any of the Debtors’ future intellectual property.

24 **2. Administrative Claim.** A Claim for costs and expenses of administration
25 allowed under Section 503(b) of the Bankruptcy Code and referred to in Section 507(a)(2) of the
26 Bankruptcy Code including, without limitation: (a) the actual and necessary costs and expenses
27 incurred after the Petition Date of preserving the Estates and operating the business of the Debtors
28 (such as wages, salaries or commissions for services); (b) compensation for legal, financial advisory,

1 accounting and other services, and reimbursement of expenses awarded or allowed under Sections
2 330(a) or 331 of the Bankruptcy Code; and (c) all fees and charges assessed against the Estate under
3 28 U.S.C. § 1930.

4 **3. Administrative Claims Bar Date.** The date which is thirty (30) days after
5 the Effective Date.

6 **4. Allowed Administrative Claim.** An Administrative Claim which is an
7 Allowed Claim.

8 **5. Allowed Claim.** A Claim against the Debtors and/or the Estates as to which
9 no objection has been filed, or if an objection has been filed, has either been overruled or otherwise
10 resolved by the allowance of such Claim by the Bankruptcy Court, if the Claim was: (1) scheduled in
11 the list of creditors prepared and filed with the Bankruptcy Court by the Debtors and not listed as
12 disputed, contingent or unliquidated as to amount; or (2) the subject of a timely filed proof of claim;
13 or (3) which has been allowed by order of the Bankruptcy Court.

14 **6. Allowed Priority Claim.** A Priority Claim which is an Allowed Claim.

15 **7. Allowed Priority Tax Claim.** A Priority Tax Claim which is an Allowed
16 Claim.

17 **8. Allowed Professional Fees.** The amount of fees and costs incurred by
18 Professionals engaged by the Debtors or the Committee in connection with the Cases which are (1)
19 timely requested by application filed on or prior to the Administrative Claims Bar Date; and (2)
20 which are allowed by order of the Bankruptcy Court.

21 **9. Allowed Secured Claim.** A Secured Claim which is an Allowed Claim.

22 **10. Allowed General Unsecured Claim.** A General Unsecured Claim which is
23 an Allowed Claim.

24 **11. Assets.** All tangible and intangible assets of every kind and nature of the
25 Debtors and their Estates, and all proceeds thereof, wherever located, as of the Effective Date.

26 **12. Avoidance Actions.** Causes of Action arising under Bankruptcy Code
27 sections 510, 541, 542, 544, 545, 547 through 551 and/or 553, or under related state or federal
28 statutes and common law including, without limitation, fraudulent transfer laws, whether or not

1 litigation is commenced to prosecute such Causes of Action.

2 **13. Ballot.** The form of ballot or ballots that will be distributed electronically
3 with the Disclosure Statement to holders of Claims entitled to vote under the Plan in connection with
4 the solicitation of votes to accept or to reject the Plan.

5 **14. Bankruptcy Code.** Title 11 of the United States Code (11 U.S.C. §§ 101 *et*
6 *seq.*), as now in effect or hereafter amended. All citations in the Disclosure Statement or in the Plan
7 to section numbers are to the Bankruptcy Code unless otherwise expressly indicated.

8 **15. Bankruptcy Court.** The United States Bankruptcy Court for the Central
9 District of California (San Fernando Valley Division), or such other federal court with competent
10 jurisdiction over the Cases.

11 **16. Bankruptcy Rules.** Federal Rules of Bankruptcy Procedure, as now in effect
12 or hereafter amended.

13 **17. Bar Date.** December 20, 2024 for non-governmental creditors; and February
14 5, 2025 for governmental units. See, Doc. No. 200.

15 **18. Beneficiaries.** The Holders of Certain Allowed Claims and the Holders of
16 Disputed Claims who, pursuant to the Plan, are entitled to any Distributions from the Plan
17 Distribution Trust.

18 **19. Business Day.** Any day, other than a Saturday, Sunday or legal holiday as
19 defined in Bankruptcy Rule 9006(a).

20 **20. Cases.** This Chapter 11 bankruptcy cases, filed by the Debtors, pending in the
21 Bankruptcy Court and jointly administered under Case No. 1:24-bk-11323-VK.

22 **21. Cash.** Currency, checks, negotiable instruments and wire transfers of
23 immediately available funds.

24 **22. Causes of Action.** Any and all causes of action, Avoidance Actions, suits,
25 rights of action, rights to legal remedies, rights to equitable remedies, rights to payment of any
26 amounts owing to the Debtors or the Estates for any reason whatsoever, whether known, unknown,
27 reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured,
28 unmatured, disputed, undisputed, secured or unsecured, and whether asserted or assertable directly

1 or derivatively, in law, equity or otherwise, that the Debtors and/or Estates may hold against any
2 Person but excluding those Persons who are released or exculpated, or against whom claims were
3 waived, pursuant to the Plan. For the avoidance of doubt, any causes of action purchased by FitLife
4 pursuant to the Sale Order are excluded from the definition of Causes of Action.

5 **23. Claim.** Any right to payment, whether or not such right is reduced to
6 judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,
7 legal, equitable, secured or unsecured, against the Debtors and/or the Estates, and any right to any
8 legal or equitable remedy for breach of any obligation giving rise to a right to payment, whether or
9 not such right is an equitable remedy or is reduced to judgment, liquidated, unliquidated, fixed,
10 contingent, matured, unmatured, disputed, undisputed, secured or unsecured, against the Debtors
11 and/or the Estates.

12 **24. Claimant.** A Person who holds a Claim.

13 **25. Claim Chart.** **Exhibit A** to the Disclosure Statement which lists all Claims
14 filed against the Debtors as of the date reflected therein.

15 **26. Claims Objection Deadline.** Two hundred and seventy (270) days following
16 the Effective Date, which date may be extended by the Bankruptcy Court upon motion of any party
17 in interest for cause.

18 **27. Class.** A category of Claims which are substantially similar to each other and
19 into which Allowed Claims are grouped and classified pursuant to the Plan, unless a member of the
20 Class has agreed to a subordinated treatment. The Classes provided for in the Plan are summarized
21 in Article IV of the Disclosure Statement and Article III of the Plan.

22 **28. Committee.** The Official Committee of Unsecured Creditors appointed by
23 the OUST on August 31, 2024 [Doc. No. 69] in the bankruptcy cases of IN Nevada and IN Canada,
24 pursuant to § 1102 of the Bankruptcy Code.

25 **29. Confirmation.** The entry of the Confirmation Order on the docket of the
26 Bankruptcy Court.

27 **30. Confirmation Date.** The date upon which the Confirmation occurs.

28

1 **31. Confirmation Hearing.** The hearing or hearings held by the Bankruptcy
2 Court to consider and rule upon the Debtors' request for confirmation of the Plan.

3 **32. Confirmation Order.** The order entered by the Bankruptcy Court confirming
4 the Plan.

5 **33. Creditor.** A Person asserting a Claim; *aka* a Claimant.

6 **34. Cure Claim.** A claim based upon the Debtors' default on an Executory
7 Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtors under
8 sections 365 or 1123 of the Bankruptcy Code.

9 **35. DAI.** One of the four jointly administered affiliated Debtors, DAI US HoldCo,
10 Inc. ("DAI"), Case No. 1:24-bk-11326-VK, is a holding company that owns 2% of IN Nevada as of
11 the Petition Date.

12 **36. Debtors.** IN Nevada, IN Canada, 5310 and DAI, the jointly administered
13 chapter 11 debtors in these Cases.

14 **37. Disallowed.** With respect to a Claim, or any portion thereof, that (a) has been
15 disallowed by a Final Order, (b) is Scheduled at zero, or as contingent, disputed or unliquidated and
16 as to which no Proof of Claim has been filed by the applicable Bar Date or deemed timely filed
17 pursuant to either the Bankruptcy Code or any Final Order or under applicable law, or (c) is not
18 Scheduled, and as to which (i) no Proof of Claim has been filed by the applicable Bar Date or
19 deemed timely filed pursuant to either the Bankruptcy Code or any Final Order or under applicable
20 law, or (ii) no request for payment of an Administrative Claim has been filed by the Administrative
21 Claims Bar Date, as appropriate, or deemed timely filed pursuant to either the Bankruptcy Code or
22 any Final Order or under applicable law.

23 **38. Disclosure Statement.** This Disclosure Statement (as may be further
24 amended or modified) prepared by the Debtors and Committee as required by § 1125 of the
25 Bankruptcy Code describing the Plan.

26 **39. Disputed Claim.** Disputed Claims include: (i) a Claim which has been
27 scheduled as disputed, contingent or unliquidated where a Proof of Claim has not been timely filed
28 thereafter; (ii) a Claim as to which an objection has been timely filed with the Bankruptcy Court, and

1 which objection has not been withdrawn on or before any date fixed for filing such objections by the
2 Plan or by order of the Bankruptcy Court and has not been overruled or denied by a Final Order; and
3 (iii) any Claim listed as a Disputed Claim on the Claim Chart.

4 **40. Distribution(s).** Any distribution by the Plan Distribution Agent to any
5 Class, Claimant or Creditor.

6 **41. Effective Date.** The second Business Day after the Confirmation Date,
7 provided that the Bankruptcy Court has waived the provisions of Bankruptcy Rule 3020(e) and no
8 stay of the Confirmation Order is in effect. If the Bankruptcy Court does not waive the provisions of
9 Bankruptcy Rule 3020(e), then the Effective Date will be the second Business Day which is at least
10 fifteen (15) days following the date of entry of the Confirmation Order, providing there has been no
11 appeal from and order staying the effectiveness of the Confirmation Order. If there has been an
12 order entered staying the effectiveness of the Confirmation Order, the Effective Date shall be the
13 second Business Day after the stay is no longer in effect with respect to the Confirmation Order.

14 **42. Equity Interest.** An “equity security” as defined in § 101(16) of the
15 Bankruptcy Code.

16 **43. Equity Holder(s).** A holder of any Equity Interest of any of the Debtors.

17 **44. Estates.** The estates of the Debtors created upon commencement of the Cases
18 pursuant to § 541 of the Bankruptcy Code.

19 **45. Exculpated Claim.** Any Claim or Cause of Action based on conduct taken or
20 omitted to be taken in good faith after the Petition Date and on or before the Effective Date (except
21 with respect to any post-Effective Date modification or amendments to the Plan) in connection with,
22 or arising out of the formulating, negotiating, soliciting, preparing, or confirming the Plan,
23 Disclosure Statement and all exhibits thereto and/or the transactions contemplated therein, or a
24 contract, instrument, release or other agreement or document created or entered into in connection
25 with the Plan.

26 **46. Executory Contract.** A contract to which the Debtors are a party that is
27 subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

28 **47. EWB.** The Debtors’ former secured creditor, East West Bank, as Agent

1 ("EWB").

2 **48. Final Fee Application(s).** The final request for payment of Professional Fee
3 Claims.

4 **49. Final Cash Collateral Order.** The *Final Order: (I) Authorizing Debtor to*
5 *Obtain Post-Petition Financing, (II) Granting Liens and Administrative Expense Claims, (III)*
6 *Authorizing Debtors' Use of Cash Collateral, (IV) Modifying the Automatic Stay, and (V) Granting*
7 *Other Related Relief* [Doc. No. 266] entered by the Bankruptcy Court on December 9, 2024.

8 **50. Final Order.** An order or judgment of the Bankruptcy Court, as entered on
9 the applicable docket, that has not been reversed, stayed, modified or amended, and as to which the
10 time to appeal, petition for certiorari, or move for re-argument or rehearing has expired, and as to
11 which no appeal, petition for certiorari, or other proceedings for re-argument or rehearing shall then
12 be pending, or as to which any right to appeal, petition for certiorari, reargue, or rehear have been
13 waived in writing in form and substance satisfactory to the Debtors prior to the Effective Date, or to
14 the Reorganized Debtors or Plan Distribution Agent after the Effective Date, or, in the event that an
15 appeal, writ of certiorari, or re-argument or rehearing thereof has been sought, such order or
16 judgment of the Bankruptcy Court shall have been affirmed by the highest court to which such order
17 or judgment was appealed, or certiorari has been denied, or from which re-argument or rehearing
18 was sought and denied, and the time to take any further appeal, petition for certiorari or move for re-
19 argument or rehearing shall have expired.

20 **51. General Unsecured Claim.** A Claim against the Debtors that is not secured
21 by a charge against, or interest in, any of the Debtors' Assets, that is not an Administrative Claim, a
22 Priority Claim, or a Priority Tax Claim.

23 **52. Holder(s).** A Person holding a Claim or Interest against the Debtors,
24 provided, however, with respect to transfers of Claims governed by Bankruptcy Rule 3001(e), in
25 order for the transferor to be deemed the Holder of the Claim for distribution purposes, the deadline
26 for any objection to the proposed transfer of a Claim must have passed with either (1) no objection to
27 the transfer having been filed, or (2) any objection to such transfer having been resolved in favor of
28 the transferor by no later than the Confirmation Date. In other words, after the Effective Date,

1 without the express consent of the Reorganized Debtors or the Plan Distribution Trustee, no transfer
2 of Claims will be recognized by the Reorganized Debtors or the Plan Distribution Trustee for
3 Distributions made pursuant to the Plan.

4 **53. Independent Director.** The Debtors have appointed Bradley Sharp as the
5 independent director of IN Nevada effective as of March 18, 2025 pursuant to a Resolution of the
6 Board of Directors of IN Nevada dated March 18, 2025, a Written Consent of Shareholders of Irwin
7 Naturals to Elect Special Restructuring Independent Director dated March 18, 2025, an engagement
8 agreement between the Debtors and Development Specialists, Inc. dated March 4, 2025, and an
9 Indemnification Agreement dated March 5, 2025. Pursuant to the aforementioned documents, the
10 Independent Director is vested with the sole authority to approve all Liquidation Event(s) on behalf
11 of IN Nevada. “Liquidation Events” include a sale of IN Nevada’s equity or assets, a re-financing
12 and/or the Plan. The Debtors’ appointment of the Independent Director was approved pursuant to
13 Court order entered April 24, 2025 [Doc. No. 546].

14 **54. Impaired.** When used in reference to a Claim, Interest or Class, a Claim,
15 Interest or Class that is impaired within the meaning of § 1124 of Bankruptcy Code.

16 **55. IN Canada.** One of the four jointly administered affiliated Debtors, IN
17 Holding Canada, Inc. (“IN Canada”), *fka* Irwin Naturals, Inc., a British Columbia corporation, Case
18 No. 1:24-bk-11324-VK, is currently the ultimate parent of all the other Debtors and it is a public
19 company.

20 **56. IN Nevada.** One of the four jointly administered affiliated Debtors, IN
21 Holdings, Inc. (“IN Nevada”), *fka* Irwin Naturals, a Nevada corporation, Case No. 1:24-bk-11323-
22 VK, is the operating entity.

23 **57. IN Canada Shareholders.** Shareholders who currently hold shares in IN
24 Canada.

25 **58. Interest.** When “Interest” is used in the context of holding an equity security
26 or unit of the Debtors (and not used to denote (i) the compensation paid for the use of money for a
27 specified time and usually denoted as a percentage rate of interest on a principal sum of money, or
28 (ii) a security interest in property), then “Interest” shall mean an interest or share in the Debtors of

1 the type described in the definition of "Equity Interest."

2 **59. Noticing Agent.** Omni is the claims and noticing agent employed in the
3 Debtors' bankruptcy cases.

4 **60. OUST.** Office of the United States Trustee for Region 16.

5 **61. Person.** Person shall have the same meaning as in § 101(41) of the
6 Bankruptcy Code.

7 **62. Petition Date.** August 9, 2024, the date on which the Debtors filed their
8 respective voluntary petition for relief under chapter 11, thereby commencing these Cases.

9 **63. Plan.** The *Joint Chapter 11 Plan of Reorganization* (as may be further
10 amended or modified) proposed by the Debtors and Committee and including, without limitation, all
11 exhibits, supplements, appendices and schedules thereto, either in its present form or as it may be
12 altered, amended, supplemented, or modified from time to time.

13 **64. Plan Distribution Trust.** The certain trust as created by the Plan and
14 Confirmation Order.

15 **65. Plan Distribution Trustee.** The agent appointed to disburse payments to
16 Holders of Allowed Claims in accordance with the terms of the Plan.

17 **66. Post-Confirmation Status Report.** The post-confirmation status report to be
18 filed by the Reorganized Debtors and/or Plan Distribution Agent if so ordered by the Bankruptcy
19 Court.

20 **67. Priority Claim.** A Claim entitled to priority under § 507(a) of the
21 Bankruptcy Code, other than a Priority Tax Claim pursuant to § 507(a)(8) of the Bankruptcy Code.

22 **68. Priority Tax Claim.** A Claim entitled to priority under § 507(a)(8) of the
23 Bankruptcy Code.

24 **69. Professional Fee Applications.** Applications filed pursuant to sections 330,
25 331 or 503(b)(4) of the Bankruptcy Code for allowance of Administrative Claims relating to the
26 compensation and reimbursement of expenses of Professionals employed pursuant to an order of the
27 Bankruptcy Court under sections 327 or 1103 of the Bankruptcy Code for services provided and
28 expenses incurred prior to the Effective Date.

1 **70. Professional Fee Claims.** (A) a claim under sections 327, 328, 330, 331,
2 503(b), 1103 or 1106 of the Bankruptcy Code for compensation for professional services rendered or
3 expenses incurred on and after the Petition Date and prior to the Effective Date on behalf of the
4 Estate by a Professional duly employed and authorized by an Order of the Bankruptcy Court; or (b) a
5 claim under § 503(b)(4) of the Bankruptcy Code for reasonable compensation for professional
6 services rendered by an attorney or accountant of an entity whose expense is allowable under §
7 503(b)(3)(D) of the Bankruptcy Code for making a substantial contribution to the Estates.

8 **71. Professionals.** Those Persons (i) that are subject to the retention pursuant to
9 an order of the Bankruptcy Court in accordance with sections 327, 1103 and/or 1106 of the
10 Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant
11 to sections 327, 328, 329, 330 and 331 of the Bankruptcy Code or (ii) for which compensation and
12 reimbursement has been allowed by the Bankruptcy Court pursuant to sections 330 and 503(b)(2) of
13 the Bankruptcy Code.

14 **72. Proponents.** The proponents of the Plan are the Debtors and the Committee.

15 **73. Pro Rata.** Pro rata means proportionate so that the ratio of (a) the amount of
16 consideration distributed on account of an Allowed Claim to (b) the amount of the Allowed Claim is
17 the same as the ratio of (x) the amount of consideration available for distribution on account of all
18 Allowed Claims in the Class in which the Allowed Claim is included to (y) the amount of all
19 Allowed Claims in that Class.

20 **74. Reorganized Debtors.** IN Nevada, IN Canada, DAI and 5310 following the
21 occurrence of the Effective Date.

22 **75. Sale Closing.** The sale of the Debtors' supplement business, which closed on
23 August 8, 2025.

24 **76. Sale Order.** The *Order Approving Debtors' Motion for Order Authorizing*
25 *and Approving (A) the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens,*
26 *Claims, Interests and Encumbrances (Other than Those Expressly Assumed by the Buyer) Pursuant*
27 *to 11 U.S.C. Sections 363(b) and (f); (B) Assumption and Assignment of Executory Contracts and*
28 *Unexpired Leases and Determining Cure Amounts; (C) Waiving the 14-Day Stay Periods of*

1 *Bankruptcy Rules 6004(h) and 6006(d); (D) Determining that the Buyer is Entitled to Protection*
2 *Pursuant to 11 U.S.C. section 363(m); and (E) Granting Related Relief* [Doc. No. 740] entered on
3 July 31, 2025.

4 **77. Scheduled.** Scheduled means the information set forth in the Schedules.

5 **78. Schedules.** The Schedules of Assets and Liabilities filed by the Debtors in
6 accordance with § 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as the same may be
7 amended from time to time in accordance with Bankruptcy Rule 1009 prior to the Effective Date.
8 IN Nevada's Schedules: Doc. No. 96; IN Canada's Schedules: Doc. No. 16 in 1:24-bk-11324-VK;
9 5310's Schedules: Doc. No. 16 in 1:24-bk-11325-VK; DAI's Schedules: Doc. No. 16 in 1:24-11326-
10 VK.

11 **79. Secured Claim.** A Claim that is secured by a lien against any Assets to the
12 extent of the value of the Estate's interest in such Assets, or to the extent of the amount of such
13 Claim subject to setoff in accordance with § 553 of the Bankruptcy Code, in either case determined
14 pursuant to § 506(a) of the Bankruptcy Code.

15 **80. Stalking Horse Bidder.** FitLife Brands, Inc. ("FitLife") was the designated
16 Stalking Horse Bidder pursuant to that certain *Asset Purchase and Sale Agreement* (the "APA")
17 entered into between and among the Debtors and FitLife on or about June 10, 2025.

18 **81. Trust Assets.** That certain cash in the amount of \$13.5 million held by the
19 Plan Distribution Trust.

20 **82. Unclaimed Distribution.** Any Distribution made by the Plan Distribution
21 Agent to the address of the recipient reflected in the Schedules (or on any Proof of Claim filed by the
22 Claimant), by: (a) checks which have been returned as undeliverable without a proper forwarding
23 address; (b) checks which were not mailed or delivered because of the absence of a proper address to
24 which to mail or deliver the same; (c) checks which have not been cashed for a period of ninety (90)
25 days after the date such checks were issued, or (d) disbursements that were not made because the
26 Holder of such Allowed Claim failed to provide required tax information within forty-five (45) days
27 after the Plan Distribution Agent have sent any request for same to such Claimant's address as
28 reflected in the Schedules and/or such Claimant's Proof of Claim.

1 **83. Unclassified Claim.** Any Claim which is not part of any Class, including
2 Administrative Claims and Priority Tax Claims.

3 **84. Unimpaired.** A Claim is unimpaired when it is within a class that is not
4 impaired within the meaning of § 1124 of the Bankruptcy Code.

5 **85. Unsecured Claim.** Any Claim, including without limitation any claim arising
6 under § 502(g) of the Bankruptcy Code, that is not secured by a lien on, security interest in, or
7 charge against, any Asset.

8 **B. Exhibits.**

9 All Exhibits to this Disclosure Statement are incorporated into and are part of this Disclosure
10 Statement as if set forth in full herein.

11 **C. Computing Time Periods.**

12 In computing any period of time prescribed or contemplated by the Plan, Bankruptcy Rule
13 9006(a) shall apply.

14 **D. Notices and Delivery of Documents.**

15 All notices, correspondence, and other deliveries under the Plan must be directed as follows:

16 To the Debtors or Reorganized 17 Debtors:	IN Holdings, Inc. et al 1968 S. Coast Hwy #5310 Laguna Beach, CA 92651
18 To the Plan Distribution Trustee or 19 Plan Distribution Trust	IN Plan Distribution Trust c/o Bradley D. Sharp 333 South Grand Ave., Ste 4100 Los Angeles, CA 90071

20 With a Copy to:	Susan K. Seflin BG Law LLP 21650 Oxnard St., Suite 500 Woodland Hills, CA 91367 Fax: (818) 827-9099 Email: sseflin@bg.law
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24 To the Committee:	Jeffrey I. Golden Golden Goodrich 3070 Bristol Street, Suite 640 Costa Mesa, CA 92626 Fax: (714) 966-1002 Email: jgolden@go2.law
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III. BACKGROUND

A. Description and History of the Debtors' Business and a Summary of the Circumstances that Led to the Filing of the Debtors' Chapter 11 Cases.

1. General Background.

Prior to the sale of its supplement business in August of 2025, IN Nevada was a popular dietary supplement company that was founded in 1994 and operated profitably for approximately thirty years.

2. The Debtors' Prepetition Lenders and Events Leading to the Debtors' Chapter 11 Filings.

⁶In the fall of 2022, East West Bank, as Agent (“EWB”) and CFG Bank (“CFG” and collectively, with EWB, the “Lenders”) agreed to form a syndicate, wherein EWB would be the main lender in a new lending facility focused on providing cash for the roll-up that the Debtors and Emergence could use to fund acquisitions.

At the beginning of 2023, the Irwin Companies secured a credit facility (“Credit Facility”) from EWB, as agent for the syndicate, for up to \$40.0 million in up to two equal parts: (1) up to a \$20 million revolving line of credit that was meant to support IN Nevada’s day-to-day operations (the “Line of Credit”), a version of which was already in place as of December 2021 between EWB and the Debtors and was to be replaced by this new Credit Facility; and (2) a \$20 million delayed-draw term loan facility (the “Term Loan”) that was to be used to support Emergence’s clinic roll-up (“Roll-Up”). The Credit Facility was governed by a credit agreement (“Credit Agreement”).

The Roll-Up did not pan out as planned in 2023 due to many market factors outside of the Debtors' control. However, the Debtors' financial burden was exacerbated by EWB's substantial excessive and unreasonable control over their business affairs and imposition of unconscionable constraints on the Debtors. After the Credit Facility was only a little over a year old, the Irwin

⁶ For the avoidance of doubt, the allegations set forth herein regarding EWB are solely those of the Debtors. Nothing in this Disclosure Statement shall be deemed to constitute a statement or position of the Committee with respect to such matters.

1 Companies received three notices of default from EWB for failure to meet certain technical
2 covenants of the Credit Agreement, notwithstanding that the Irwin Companies had never been late
3 on any debt service payments to EWB and the Irwin Companies' efforts to improve their overall
4 financial condition. Those efforts included renegotiating payment terms with customers and
5 suppliers, exploring options to amend or refinance their debt, reducing operating costs and
6 expenditures, conducting multiple rounds of personnel layoffs, terminating as many third-party
7 contracts and services as possible, closing the debt-accruing Emergence clinics, and more.
8 Furthermore, in an attempt to pay off EWB, the Debtors offered to EWB to put the Irwin Companies
9 up for sale, including signing an engagement agreement in October 2023 with a well-respected
10 investment banker with prior experience selling foundational companies in the nutrition and wellness
11 equity markets. This effort was not successful because EWB refused to cooperate in the process.
12 Although the investment banker again tried to re-engage and initiate the sale process again in the fall
13 of 2024, a complaint filed (but never served) by EWB against the Debtors in the summer of 2024
14 garnered negative media attention and caused the investment banker to terminate the engagement
15 prior to ever marketing the business, contacting any third parties, and/or taking any other actions that
16 would constitute 'going to market' in an equity sale.⁷

17 EWB engaged in other instances of unnecessarily bad faith conduct including, but not limited
18 to, exerting undue and unreasonable excessive control over the Irwin Companies' operations,
19 finances, and decision-making, putting a third party director in place for the purpose of preventing
20 the Debtors from pursuing litigation or court restructuring and sweeping the Debtors' bank accounts
21 daily (leaving the Debtors with no liquidity other than the trickle of funds EWB determined was
22 acceptable to EWB) – all while the Debtors were not in monetary default on the indebtedness owed
23 to EWB. The Debtors' vendors paid the price for EWB's actions that directed payments away from

24
25 ⁷ The Debtors also obtained another investment banker pre-petition to solicit take-out financing and
26 received a pre-petition term sheet that would have taken out the Lenders' debt in full. This take-out
27 financing was unsuccessful because EWB knew how its complaint was hindering the refinancing but
refused to dismiss the complaint. The aforementioned term sheet was withdrawn. EWB did dismiss
its complaint (on July 5, 2025) but by that point it was too late to get any of the lenders back to the
table.

1 the vendors to EWB. Finally, upon the resignation of the EWB installed director, the Debtors were
2 able to file these cases to regain control over their businesses and to attempt to reorganize their debt
3 in order to return to their prior financial stability and profitability.

4 EWB and the Lenders dispute the Debtors' characterization of the events leading to the filing
5 of the Chapter 11 Cases and the issues among the parties. EWB contends that, shortly after entering
6 into the Credit Agreement, key elements of the Debtors' business plan failed and that the Debtors
7 were in default for failure to comply with multiple covenants. The Debtors assert that whether they
8 had or had not missed certain covenants, importantly they had never missed a single required debt
9 service payment to EWB prior to or after the Petition Date. EWB contends that, prior to the Petition
10 Date, it validly exercised remedies including appointing a third party director to protect the Lenders'
11 collateral against alleged mismanagement and create the opportunity for independent decision
12 making at the Debtors. The Debtors contend that what the Lenders did was not in accordance with
13 their written agreements and was unreasonable and in bad faith.

14 Other than the lienholders disclosed above, there are no other parties that assert a security
15 interest against the Debtors or their assets.

16 **3. The Debtors' Other Indebtedness.**

17 The Debtors believe that they have approximately \$5 million in valid general unsecured
18 debt. As of the date this Disclosure Statement, approximately \$7 million in general unsecured claims
19 have been filed against the Estates. The Debtors believe objections to claims will reduce the allowed
20 amount of non-insider general unsecured claims to approximately \$5 million.

21 **B. Management, Principals, and Affiliates of the Debtors' Business.**

22 At the time of the Petition Date and as of the date of the filing of this Disclosure Statement,
23 Klee Irwin was, and is, the Chief Executive Officer ("CEO") of IN Nevada, IN Canada and DAI.
24 The managing member of 5310 is IN Nevada. Mr. Irwin founded the Debtors' nutraceutical
25 business in 1994. IN Nevada, successor in interest to a prior entity, was incorporated in Nevada in
26 January 2002.

27 IN Nevada is the operating entity through which the Debtors' business is conducted. IN
28 Canada is the ultimate "parent company" of the Debtors. IN Canada does not have any employees

1 and only transacts limited business with its subsidiaries. DAI is a wholly owned subsidiary of IN
2 Canada. DAI is solely a holding company that owns 100% of the Class A Voting Shares of IN
3 Nevada amounting to 2% of beneficial ownership of IN Nevada (with Klee Irwin owning the other
4 98% personally or through his family trust in the form of 100% of the Class B non-voting shares of
5 IN Nevada). 5310 is a wholly owned subsidiary of IN Nevada.

6 **C. Litigation.**

7 The actions below are either actions that were pending on the Petition Date or actions that
8 have been filed or asserted post-petition.

9 **1. Media Max Network, LLC v. Media Brokers International, Inc. et al. [IN
10 Nevada]**

11 On March 6, 2024, publishing company Media Max Network, LLC (“MMN”) filed a breach
12 of contract suit against Media Brokers International, Inc. (“MBI”) and IN Nevada in Fulton County
13 State Court, GA (case no. 24EV001793). MMN’s claim is based on allegedly unpaid invoices by
14 MBI. IN Nevada’s contractual relationship is solely with codefendant MBI, who places
15 advertisements for IN Nevada. IN Nevada does not have a contractual relationship or contractual
16 privity with MMN. On July 1, 2024, default judgment was granted as to liability against IN Nevada.
17 On September 13, 2024, default judgment was entered as to damages against IN Nevada in the
18 amount of approximately \$79,000. IN Nevada advised MMN’s counsel of the bankruptcy and the
19 automatic stay. In response, MMN’s counsel filed a motion to vacate the judgment against IN
20 Nevada on November 4, 2024, and cited the fact that the matter should be stayed subject to
21 bankruptcy rules. Specifically, MMN’s counsel stated in its state court filing “Additionally, Plaintiff
22 learned that Defendant Irwin filed a Chapter 11 bankruptcy petition in the Central District of
23 California, on August 9, 2024, Case No. 1:24-bk-11323-VK, which in effect stayed Plaintiff’s action
24 against Irwin.” The accompanying order on the motion to vacate was entered in December 2024.
25 This litigation is currently stayed. MMN filed Proof of Claim No. 40 in the amount of an \$80,499.57
26 general unsecured claim. The Debtors intend to object to this claim.

27 **2. Reese v. Irwin Naturals, et al. [IN Nevada]**

28 On July 8, 2021, plaintiffs Herman and Jasminn Reese filed a personal injury and products

1 liability lawsuit against IN Nevada and its contract manufacturer Robinson Pharma in Los Angeles
2 County, California (case no. 21STCV25158). The plaintiffs allege that Herman Reese sustained
3 certain injuries caused by his use of an IN Nevada dietary supplement. The case was in the discovery
4 phase, with fact witness (non-expert) depositions being taken and scheduled. On August 19, 2024,
5 IN Nevada filed a Notice of Bankruptcy Filing and Automatic Stay; the court entered a minute order
6 on August 21 staying the case accordingly. The court also set a status conference on December 19,
7 2024 for an update on IN Nevada's bankruptcy. On October 9, 2024 the Reese plaintiffs filed a
8 motion for relief from the automatic bankruptcy stay in IN Nevada's bankruptcy matter, on the basis
9 that they would seek recovery solely from applicable insurance. IN Nevada did not oppose the
10 motion and, accordingly, the request for relief from stay was granted. Plaintiffs have not filed a
11 proof of claim and the Debtors scheduled this claim as contingent, unliquidated and disputed.

12 **3. Vaughn v. Irwin Naturals [IN Nevada]**

13 On January 19, 2024, plaintiff Trisha Vaughn filed a class action lawsuit against IN Nevada
14 in Los Angeles Superior Court (case no. 24STCV01558) alleging damages due to alleged
15 false/misleading advertising on an IN Nevada weight management supplement. IN Nevada filed an
16 answer to the complaint on April 8, 2024. Discovery has not yet begun. On August 23, 2024, IN
17 Nevada filed a Notice of Bankruptcy Filing and Automatic Stay; the court entered a minute order on
18 August 26 staying the case accordingly. Plaintiff did not file a proof of claim and the Debtors
19 scheduled this claim as contingent, unliquidated and disputed.

20 **4. (In re: Bed Bath & Beyond, Inc., et al., Debtor) Adversary proceeding: Michael
21 Goldberg, as Plan Administrator for 20230930-DK-Butterfly-1, Inc., (f/k/a Bed
22 Bath & Beyond Inc.) v. Irwin Naturals et al. [IN Nevada]**

23 On May 17, 2024, Michael Goldberg, as Plan Administrator for 20230930-DK-Butterfly-1,
24 Inc. (f/k/a Bed Bath & Beyond Inc.) ("BBB") filed an adversary complaint in BBB's chapter 11 case
25 against IN Nevada and Performance Sales & Marketing, Inc. in the U.S. Bankruptcy Court in the
26 District of New Jersey. The adversary action seeks to avoid and recover transfers made in connection
27 with vendor programs, credits, and deductions that occurred prior to BBB's bankruptcy filing. Post-
28 petition, IN Nevada advised plaintiff's counsel of its bankruptcy and need for stay. Plaintiff's counsel

1 has since responded and agreed not to proceed with litigation subject to the adjournment of these
2 proceedings. Plaintiff filed a proof of claim in the amount of a \$63,633.89 general unsecured claim.

3 **5. EMA Anesthesia v. Irwin Naturals Emergence, et al. [IN Canada]**

4 On January 25, 2024, plaintiff EMA Anesthesia filed a breach of contract lawsuit against
5 Serenity Health, LLC; Irwin Naturals Emergence, Inc.; and Irwin Naturals, Inc. (collectively,
6 “Defendants”) in Jefferson County Circuit Ct., Kentucky (case no. 23CI-0612, the “KY Action”).
7 The claim was based on alleged unpaid invoices for anesthesia services provided by plaintiff. The
8 parties in the KY Action entered into a stipulated/consent judgment on February 21, 2024 whereby
9 the Defendants agreed to be jointly and severally liable for payment to EMA Anesthesia. The court
10 entered the consent judgment on March 5, 2024. On June 5, 2024, plaintiff filed a lawsuit in Los
11 Angeles Superior Court (case no. 24SMCP00287) to enforce the KY Action judgement in
12 California. Plaintiff filed writ of Execution for Orange County on August 1, 2024, and writ of
13 execution for Los Angeles County on August 20, 2024. Plaintiff has not filed a proof of claim and
14 the Debtors scheduled this claim as disputed.

15 **6. Benvenutti v. Irwin Naturals [IN Nevada]**

16 In September 2024, the Debtors received a demand letter regarding a potential worker’s
17 comp claim for Myrna Benvenutti. Ms. Benvenutti filed a worker’s compensation claim against
18 Irwin Naturals in the Los Angeles Superior Court, Worker’s Compensation Appeals Board (case no.
19 ADJ19881843). In November 2024, the Debtors’ workers compensation provider denied Ms.
20 Benvenutti’s claim due to a lack of evidence. Moreover, Ms. Benvenutti entered into a severance
21 agreement with the Debtors July 31, 2024 pursuant to which Ms. Benvenutti waived all claims
22 against the Debtors in exchange for monetary consideration. The Debtors do not believe that this
23 claim has any validity. However, to the extent that there is any liability, the Debtors expect it to be
24 covered by the Debtors’ workers compensation policy. Plaintiff has not filed a proof of claim.

25 **7. Dawn Patrol DBA Full Stream Group v. Irwin Naturals [IN Nevada]**

26 Full Stream Group filed a breach of contract lawsuit on April 8, 2024 in Los Angeles
27 Superior Court (case no. 24SMCV01647) stemming from alleged unpaid invoices. The damages
28 alleged total \$89,977.60, plus attorney’s fees, interest and costs. IN Nevada was unable to retain

1 counsel for this matter and default judgment was entered against Irwin Naturals on June 27, 2024 in
2 the amount of \$103,733.83. A writ of execution was entered on July 31, 2024 in the amount of
3 \$104,335.42. Plaintiff filed Proof of Claim No. 7 in the amount of a \$103,733.83 general unsecured
4 claim, which the Debtors intend on objecting to.

5 **8. Avi Jones v. Irwin Naturals**

6 Post-petition, on April 15, 2025, IN Nevada and Emergence received a demand letter dated
7 April 8, 2025, from the counsel of Avi Jones alleging claims for damages under the Consumer Legal
8 Remedies Act (CLRA). Specifically, Jones and his counsel are alleging that the Irwin product
9 "Stored Fat Belly Burner" contains false and misleading advertising.

10 Irwin Naturals maintains that this demand letter lacks merit as the product in question, Stored
11 Fat Belly Burner has the adequate substantiation necessary to make its claims, uses only allowed
12 dietary ingredients, and only makes the allowed structure function claims which are compliant under
13 DSHEA. A complaint was filed against IN Nevada, IN Canada and Klee Irwin post-petition on June
14 5, 2025. As to IN Nevada and IN Canada, the filing of the complaint is void and otherwise stayed
15 pursuant to section 362 of the Bankruptcy Code. Plaintiff filed a late proof of claim. Plaintiff has
16 also informed the Debtors that it plans on filing a relief from stay motion to pursue injunctive relief.
17 The Debtors have informed plaintiff's counsel that all assets relevant to the Debtors' supplement
18 business have been sold and the Debtors are no longer selling the product at issue in the complaint,
19 meaning such injunctive relief would be moot at this point in time.

20 **9. Rebecca Rausch, et al. v. Applied Nutrition**

21 On May 13, 2025, the Debtors received a demand letter dated April 24, 2025 from the
22 plaintiffs' counsel alleging claims for damages under the CLRA and makes the same claims. The
23 letter was addressed to a similarly named entity existing in the United Kingdom, but references a
24 product previously sold by IN Nevada and sent to the Debtors previous office address. The Debtors
25 sent a stay notice to Ms. Rausch's counsel on June 9, 2025.

26 **D. Significant Events During the Bankruptcy.**

27 The following is a list of significant events which have occurred during these cases:
28

1 **1. First Day Motions.**

2 The Debtors filed their Cases pro per, and did not retain bankruptcy counsel until August
3 13, 2024. The Debtors' and their counsel's efforts during the early part of these Cases focused on
4 obtaining authority to, among other things, secure use of cash collateral, maintain certain prepetition
5 accounts, pay certain critical vendors, and pay pre-petition wages, salaries, and other compensation,
6 which were each critical elements of the continuation of the Debtors' business operations.

7 **Cash Collateral Motion.** On August 15, 2024, the Debtors filed their *Emergency Motion*
8 *for Authority to: (A) Use Cash Collateral on an Interim Basis Pending a Final Hearing; (B) Grant*
9 *Replacement Liens; and (C) Set Final Hearing* [Doc. No. 19] (the "Cash Collateral Motion"). The
10 Cash Collateral Motion has been granted on an interim basis three times pursuant to Court orders
11 entered on August 16, 2024 [Doc. No. 34], September 6, 2024 [Doc. No. 71] and September 27,
12 2024 [Doc. No. 115]. The Debtors and EWB negotiated a consensual proposed form of order for the
13 final use of cash collateral, which order was entered on December 9, 2024 [Doc. No. 266].

14 **Cash Management Motion.** On August 15, 2024, the Debtors filed their *Emergency*
15 *Motion for Order (I) Authorizing the Continued Use of the Debtors' Cash Management System, (II)*
16 *Authorizing the Maintenance of the Debtors' Pre-Petition Bank Accounts, and (III) Requiring Banks*
17 *to Release Administrative Holds and/or Freezes on the Debtors' Pre-Petition Bank accounts* [Doc.
18 No. 21] (the "Cash Management Motion"). The Bankruptcy Court entered its interim order granting
19 the Cash Management Motion on August 16, 2024 [Doc. No. 37], and a final order granting the Cash
20 Management Motion on September 11, 2024 [Doc. No. 80].

21 **Critical Vendor Motion.** On August 15, 2024, the Debtors filed their *Emergency Motion*
22 *for Entry Order of Interim and Final Orders: (I) Authorizing the Debtors to Pay Certain Prepetition*
23 *Critical Vendors; (II) Authorizing Financial Institutions to Honor and Process Related Checks and*
24 *Transfers; and (III) Granting Related Relief* [Doc. No. 18] (the "Critical Vendor Motion"). The
25 Bankruptcy Court entered its interim order granting the Critical Vendor Motion on August 22, 2024
26 [Doc. No. 61] and its final order granting the Critical Vendor Motion on September 11, 2024 [Doc.
27 No. 81].

28 **Wage Motion.** On August 15, 2024, the Debtors filed their *Emergency Motion for Entry of*

1 *an Order: (1) Authorizing, But Not Requiring, Debtor to Pay Prepetition (A) Wages, Salaries, and*
2 *Other Compensation, (B) Employee Medical, Workers' Compensation, Paid Time Off, and Similar*
3 *Benefits, and (C) Reimbursable Employee Expenses; (2) Authorizing and Directing Applicable*
4 *Banks and Other Financial Institutions to Receive, Process, Honor, and Pay Checks Presented for*
5 *Payment and to Honor Fund Transfer Requests; and (3) Related Relief* [Doc. No. 20] (the "Wage
6 Motion"). On August 16, 2024, the Bankruptcy Court entered a final order granting the Wage
7 Motion [Doc. No. 35].

8 **2. Appointment of Committee.**

9 The Committee was appointed by the OUST on August 31, 2024 [Doc. No. 69], pursuant to §
10 1102 of the Bankruptcy Code, in the bankruptcy cases of IN Nevada and IN Canada.

11 **3. Employment of Professionals.**

12 On September 6, 2024, the Debtors filed their *Application to Employ BG Law LLP as Their*
13 *Substitute Bankruptcy Counsel and Request for Post-Petition Retainer* [Doc. No. 72] (the "BG
14 Application"). The BG Application was approved pursuant to Bankruptcy Court order entered on
15 September 25, 2024 [Doc. No. 109].

16 On September 9, 2024, the Debtors filed their *Application to Employ Beach Freeman Lim &*
17 *Cleland, LLP as Auditing Accountant Pursuant to 11 U.S.C. §§ 327(a) and 328(a)* [Doc. No. 78]
18 (the "Beach Freeman Application"). The Beach Freeman Application was approved pursuant to
19 Bankruptcy Court order entered on October 1, 2024 [Doc. No. 121].

20 On September 13, 2024, the Debtors filed their *Application for Entry of an Order*
21 *Authorizing the Retention and Appointment of Omni Agent Solutions, Inc. as Administrative Agent*
22 *Pursuant to 11 U.S.C. §§ 327(a) and 328(a) Effective as of August 23, 2024* [Doc. No. 82] (the
23 "Omni Employment Application"). The Omni Employment Application was approved pursuant to
24 Bankruptcy Court order entered on October 8, 2024 [Doc. No. 134].

25 On September 17, 2024, the Debtors filed their *Application to Employ Province, LLC as*
26 *Financial Advisor Pursuant to 11 U.S.C. §§ 327(a) and 330 Effective as of August 29, 2024* [Doc.
27 No. 87] (the "Province Application"). The Province Application was approved pursuant to
28 Bankruptcy Court order entered on October 8, 2024 [Doc. No. 136].

1 On September 19, 2024, the Debtors filed their *Application to Employ Marula Capital*
2 *Group LLC to Provide Valuation Services Pursuant to 11 U.S.C. §§ 327(a) and 328(a), with Any*
3 *Additional Services Payable Subject to 11 U.S.C. §§ 330 and 331* [Doc. No. 89] (the “Marula
4 Application”). On October 8, 2024, the Bankruptcy Court entered its order approving the Marula
5 Application [Doc. No. 135].

6 On October 1, 2024, the Debtors filed their *Application to Employ Jerrel G. John as*
7 *Bookkeeper and Tax Accountant* [Doc. No. 120] (the “JGJ Application”). The OUST filed an
8 objection to the JGJ Application on October 10, 2024 [Doc. No. 146]. On October 17, 2024, the
9 Debtors and the OUST entered into a stipulation resolving the OUST objection [Doc. No. 151]. The
10 order granting the JGJ Application was entered by the Bankruptcy Court on October 28, 2024 [Doc.
11 No. 181].

12 On September 25, 2024, the Committee filed its *Application for Order Approving*
13 *Employment of Counsel (Golden Goodrich LLP) Pursuant to 11 U.S.C. §§ 327 and 330* [Doc. No.
14 105] (the “Golden Application”). The Golden Application was approved pursuant to Bankruptcy
15 Court order entered on October 18, 2024 [Doc. No. 163].

16 On October 9, 2024, the Committee filed its *Application for Order Approving of Financial*
17 *Advisor (Force Ten Partners LLC)* [Doc. No. 138] (the “Force Ten Application”). The Force Ten
18 Application was approved pursuant to Bankruptcy Court order entered on October 31, 2024 [Doc.
19 No. 188].

20 On October 4, 2024, the Debtors filed their *Motion for Entry of Order Establishing*
21 *Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Doc. No.
22 124] (the “Fee Procedure Motion”). Through the Fee Procedure Motion, the Debtors request that the
23 Court establish certain procedures for interim compensation of the Debtors’ and the Committee’s
24 professionals. On October 10, 2024, the OUST filed its objection to the Fee Procedure Motion [Doc.
25 No. 145]. The Debtors filed their reply to the OUST objection on October 24, 2024 [Doc. No. 176],
26 and the Committee filed its reply on October 24, 2024 [Doc. No. 178]. The Fee Procedure Motion
27 was approved pursuant to Bankruptcy Court order entered on November 7, 2024 [Doc. No. 214] (the
28 “Interim Compensation Order”).

1 On October 7, 2024, the Debtors filed their *Motion for Entry of Order Pursuant to 11 U.S.C.*
2 *§§ 105(a), 327, 328, 330 and 363 for Authorization to Employ and Compensate Professionals*
3 *Utilized in the Ordinary Course of Business* [Doc. No. 129] (the “Ordinary Course Professional
4 Motion”). After discussions with the OUST, the Debtors filed a supplement to the Ordinary Course
5 Professional Motion [Doc. No. 170], which is set for hearing on October 31, 2024.

6 On November 20, 2024, the Debtors filed their *Application of Debtors to Employ Greenberg*
7 *Glusker Fields Claman & Machtiner LLP as Special Litigation Counsel* [Doc. No. 240] (the
8 “Greenberg Application”) pursuant to which they sought to employ Greenberg Glusker Fields
9 Claman & Machtiner LLP (“Greenberg Glusker”) as their special litigation counsel. The
10 Greenberg Application was denied pursuant to Bankruptcy Court order entered on December 26,
11 2024.

12 On January 15, 2025, the Debtors filed their *Application to Retain and Employ Essex*
13 *Capital Group, Inc. as Consultants with Respect to Debt Solicitation Effective as of January 10,*
14 *2025 Pursuant to 11 U.S.C. §§ 327 and 328* [Doc. No. 298] (the “Essex Application”) pursuant to
15 which they sought to employ Essex Capital Group, Inc. (“Essex”) as consultants to assist the Debtors
16 with respect to debt solicitation. The OUST filed an objection to the Essex Application [Doc. No.
17 310], which was resolved by the Debtors filing a supplement to the Essex Application [Doc. No.
18 318] and a stipulation between the Debtors and the OUST [Doc. No. 333]. The Essex Application
19 was approved pursuant to Bankruptcy Court order entered on February 21, 2025 [Doc. No. 343].

20 On February 5, 2025, the Debtors filed their *Application to Retain and Employ STS Capital*
21 *Partners M&A Advisers Inc as Investment Banker with Respect to a Potential Equity Transaction*
22 *Effective as of January 31, 2025 Pursuant to 11 U.S.C. §§ 327(a) and 328(a)* [Doc. No. 336] (the
23 “STS Application”). The STS Application was approved pursuant to Bankruptcy Court order entered
24 on March 21, 2025 [Doc. No. 450].

25 On April 16, 2025, the Debtors filed their *Motion to Employ RSM US LLP as an Ordinary*
26 *Course Professionals Under 11 U.S.C. § 363* [Doc. No. 523] (the “RSM Application”). The RSM
27 Application was approved pursuant to Bankruptcy Court order entered on May 12, 2025 [Doc. No.
28 569].

1 On June 24, 2025, the Debtors filed their *Motion to Employ Larry Britton of Vessel Advisors*
2 *LLC as an Ordinary Course Professional Under 11 U.S.C. § 363(b)* [Doc. No. 642] (the “Vessel
3 Application”) pursuant to which they sought Bankruptcy Court approval to retain Larry Britton to
4 provide fractional CFO services. The Vessel Application was approved pursuant to Bankruptcy
5 Court order entered on July 21, 2025 [Doc. No. 713].

6 On August 19, 2025, the Debtors filed their *Application to Employ Brown White & Osborn*
7 *LLP as Their Special Litigation Counsel Pursuant to 11 U.S.C. §§ 327, 328 and 330 Effective as of*
8 *August 1, 2025 and Request for Authority to Pay a Post-Petition Retainer* [Doc. No. 759] (the
9 “BWO Application”), which is set for hearing on September 11, 2025 at 1:30 p.m. The BWO
10 Application was approved pursuant to Bankruptcy Court order entered on _____.

11 **4. Additional Cash Collateral Motions.**

12 On April 2, 2025, the Debtors filed their second cash collateral motion [Doc. No. 484] (the
13 “Second Cash Collateral Motion”). The Second Cash Collateral Motion was approved pursuant to a
14 consensual form of order through and including August 1, 2025 [Doc. No. 545]. On July 9, 2025, the
15 Debtors and EWB entered into their *stipulation Extending Term of Further Order Authorizing*
16 *Debtors to Use Cash Collateral and Granting Replacement Liens* [Doc. No. 692], which extended
17 cash collateral use through the earlier of September 3, 2025 or the sale closing date (which was
18 August 8, 2025). This stipulation was approved pursuant to Bankruptcy Court order entered on July
19 10, 2025 [Doc. No. 695].

20 On August 22, 2025, the Debtors filed their third cash collateral motion [Doc. No. 773] (the
21 “Third Cash Collateral Motion”). On August 27, 2025, the Debtors and EWB entered into a
22 stipulation authorizing use of cash collateral through October 6, 2025 [Doc. No. 784], which was
23 approved pursuant to Bankruptcy Court order entered on August 28, 2025 [Doc. No. 786]. The Third
24 Cash Collateral Motion is currently set for hearing on October 1, 2025 at 1:30 p.m.

25 **5. Independent Director.**

26 The Debtors appointed Bradley Sharp (the “Independent Director”) as the independent
27 director of IN Nevada pursuant to a Resolution of the Board of Directors of IN Nevada dated March
28 18, 2025, a Written Consent of Shareholders of IN Nevada to Elect Special Restructuring

1 Independent Director dated March 18, 2025, an engagement agreement between the Debtors and
2 Development Specialists, Inc. dated March 4, 2025, and an Indemnification Agreement dated March
3 5, 2025. Pursuant to the aforementioned documents, the Independent Director is vested with the sole
4 authority to approve all Liquidation Event(s) on behalf of IN Nevada. “Liquidation Events” include
5 a sale of IN Nevada’s equity or assets, a re-financing and/or the Plan.

6 The Debtors filed a motion to approve the Debtors’ engagement of the Independent Director
7 on April 2, 2025 [Doc. No. 488] (the “Independent Director Motion”). The Independent Director
8 Motion was approved pursuant to Bankruptcy Court order entered on April 24, 2025 [Doc. No. 546].

9 **6. Claim Objections.**

10 The Debtors intend on objecting to any claim marked on the Claim Chart as objectionable.
11 The Debtors or Reorganized Debtors, as applicable, reserve the right to review and object to any
12 claims in their sole discretion. The Debtors filed their first omnibus objection to claims on June 30,
13 2025 [Doc. No. 672], which omnibus objection was sustained pursuant to Court order entered on
14 August 7, 2025 [Doc. No. 749]. The Debtors filed their second omnibus objection to claims on July
15 10, 2025 [Doc. No. 696], which omnibus objection was sustained pursuant to Court order entered on
16 August 20, 2025 [Doc. No. 763]. The Debtors are in the process of objecting to other disputed
17 claims and expect to have all objections on file prior to the Effective Date (though they reserve the
18 right to file claims objections after the Effective Date).

19 **7. Prosecution of Avoidance Actions & Other Potential Claims.**

20 The Debtors do not currently intend on pursuing any Avoidance Actions or Other Causes of
21 Action other than the claims they have reserved the right to assert against the Lenders (set forth in
22 Section IV.D.6) and claims they may assert against Adam Berk for payment on a note. The Debtors
23 do not plan on seeking to recover any preferential transfers as the Plan proposes to pay Allowed
24 Claims in full and FitLife acquired most, if not all, of those claims.

25 The Debtors’ principal and CEO Klee Irwin currently owes the Debtor \$4,134,304.45 in
26 unsecured loans as of the Petition Date, which loans are offset by \$1 million owed from the Debtors
27 to Mr. Irwin. Such unsecured loans may potentially be part of the asset sale to FitLife as described
28 below, and is subject to a separate negotiation between Mr. Irwin and FitLife where the assets may

1 be retroactively carved out of the asset sale in exchange for a release of claims and a non-defamation
2 agreement by Mr. Irwin. If the unsecured loans remain in the estates, the Debtors do not currently
3 intend to pursue collection against Mr. Irwin because Mr. Irwin's notes are not currently collectible
4 and because all claims are being paid in full in these cases. The majority of Mr. Irwin's assets are
5 subject to liens held by EWB pursuant to a separate loan agreement entered into between EWB and
6 Mr. Irwin.

7 **8. Exclusivity.**

8 On November 12, 2024, the Debtors filed their motion [Doc. No. 219] (the "Exclusivity
9 Motion") to extend their exclusive periods to file a confirm their Plan. EWB filed an objection
10 [Doc. No. 239]. The Exclusivity Motion was granted over EWB's objection pursuant to Bankruptcy
11 Court order entered on December 11, 2024 [Doc. #269], and the Debtors' exclusive period to file a
12 plan was extended to February 5, 2025 and the Debtors' exclusive period to obtain acceptances of a
13 plan was extended to April 4, 2025.

14 On January 27, 2025, the Debtors, the OUST, EWB, the Committee and FitLife entered into
15 a stipulation to continue the hearing on the Disclosure Statement to March 5, 2025 [Doc. No. 317],
16 which also included an extension of the Debtors' exclusive period to file a plan to March 5, 2025
17 and an extension of the Debtors' exclusive period to obtain acceptances of a plan to May 2, 2025.
18 This stipulation was approved pursuant to Bankruptcy Court order entered on January 28, 2025
19 [Doc. No. 323].

20 On February 19, 2025, FitLife, a competitor of the Debtors that purchased a \$7,000 claim in
21 the Debtors' cases, filed its *Motion for an Order (I) Terminating the Exclusive Periods in Which
22 Only the Debtor May File a Plan and Solicit Acceptances and (II) Permitting FitLife Brands, Inc. to
23 File an Alternative Plan and Disclosure Statement* [Doc. No. 349] (the "Motion to Terminate
24 Exclusivity"), which motion was granted at a continued hearing held on March 21, 2025. The order
25 granting the Motion to Terminate Exclusivity was granted pursuant to Bankruptcy Court order
26 entered on March 31, 2025 [Doc. No. 469] (the "Termination Order").

27 **9. Competing Plans.**

28 On April 14, 2025, FitLife filed its chapter 11 plan [Doc. No. 514] (the "FitLife Plan") and

1 accompanying disclosure statement [Doc. No. 513] (the “FitLife Disclosure Statement”) pursuant to
2 which FitLife proposed to acquire the Debtors’ equity through the FitLife Plan, pay certain claims,
3 and eliminate existing equity.

4 On April 28, 2025, Robinson Pharma, Inc. (“Robinson”), the Debtors’ largest supplier and
5 an administrative creditor, filed its own chapter 11 plan [Doc. No. 553] (the “Robinson Plan”) and
6 accompanying disclosure statement [Doc. No. 552] (the “Robinson Disclosure Statement”) pursuant
7 to which Robinson proposed to acquire the Debtors’ equity through the Robinson Plan, pay certain
8 claims and eliminate existing equity.

9 **10. Sale.**

10 Given the multiple competing plans filed in these cases, the Debtors subsequently
11 determined that a 363 sale process made more sense under the circumstances than a competing plan
12 process. Subsequently, on June 2, 2025, the Debtors entered into a term sheet with FitLife pursuant
13 to which FitLife was named the Stalking Horse Bidder under terms where FitLife would acquire the
14 Debtors’ supplement business as a going concern for, among other things, (a) \$36 million in cash,
15 (b) the assumption of certain liabilities including, among others, the Debtors’ post-petition ordinary
16 course accounts payable, and (c) certain excluded assets including the Debtors’ cash estimated to be
17 \$5 million at the time of closing. The Debtors file a bid procedures motion on June 6, 2025 [Doc.
18 No. 611] (the “Bid Procedures Motion”).

19 On June 18, 2025, the Court entered that certain *Order (A) Approving Bidding Procedures In
20 Connection With Sale Of The Debtors’ Assets, (B) Approving the Designation of a Stalking Horse;
21 (C) Approving Procedures Related To The Assumption And Assignment Of Certain Executory
22 Contracts And Unexpired Leases, (D) Approving The Form And Manner Of Notices Related To The
23 Auction And Sale, And (E) Scheduling The Sale Hearing* [Doc. No. 631] (the “Bidding Procedures
24 Order”).

25 Pursuant to the Bidding Procedures Order, the Debtors filed their *Motion for Entry of an
26 Order Authorizing and Approving (A) the Sale of Substantially All of the Debtors’ Assets Free and
27 Clear of all Liens, Claims, Interests, and Encumbrances (Other Than Those Expressly Assumed by
28 Buyer) Pursuant to 11 U.S.C. sections 363(b) and (f); (B) Assumption and Assignment of Executory*

1 *Contracts and Unexpired Leases and Determining Cure Amounts; (C) Waiving the 14-Day Stay*
2 *Periods of Bankruptcy Rules 6004(h) and 6006(d); (D) Determining that Buyer is Entitled to*
3 *Protection Pursuant to 11 U.S.C. section 363(m); and (E) Granting Related Relief* [Doc. No. 666]
4 (the “Sale Motion”) pursuant to which they sought to sell, subject to overbid, their supplement
5 business to FitLife Brands, Inc. or its assignee (“FitLife”) via an asset purchase agreement (“APA”).
6 The Sale Motion was approved by the Bankruptcy Court by order entered July 31, 2025 [Doc. No.
7 740] (the “Sale Order”). Pursuant to the Sale Order, the Debtors’ supplement business was sold to
8 FitLife in exchange for payment by FitLife to the Debtors of \$42,500,000 in cash plus the
9 assumption of certain liabilities. The sale to FitLife closed on August 8, 2025 (the “Sale Closing”).
10 The assets acquired by FitLife did not include the Debtors’ cash, the Debtors’ NOLs, the Debtors’
11 tax refunds, or the Debtors’ non-debtor entities and affiliates, some of which continue to operate.

12 **IV. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER
13 THE PLAN**

14 **A. What Creditors and Interest Holders Will Receive Under the Plan.**

15 As required by the Bankruptcy Code, the Plan classifies Claims and Interests in various
16 Classes according to their right of priority under the Bankruptcy Code. The Plan states whether each
17 Class of Claims or Interests is impaired or unimpaired. The Plan provides the treatment each Class
18 will receive.

19 **B. Unclassified Claims.**

20 Certain types of Claims are not placed into voting Classes; instead they are unclassified.
21 They are not considered impaired and they do not vote on the Plan because they are automatically
22 entitled to specific treatment provided for them in the Bankruptcy Code. As such, the Debtors have
23 not placed the following Unclassified Claims in a Class.

24 **1. Administrative Claims.**

25 Administrative Claims are for costs or expenses of administering the Debtors’ Chapter 11
26 Cases which are allowed under Bankruptcy Code Section 507(a)(1). The majority of Allowed
27 Administrative Claims representing post-Petition Date liabilities incurred by the Debtors in the
28 ordinary course of business were paid by FitLife in connection with the sale of the Debtors’

1 supplement business. The remaining Administrative Claims are estimated below. The Bankruptcy
2 Code requires that all Administrative Claims be paid on the Effective Date unless a particular
3 Claimant agrees to a different treatment. After the Effective Date, while IN Nevada's chapter 11
4 case remains open, the Reorganized Debtors and, if applicable, the Plan Distribution Trustee will (i)
5 file with the United States Trustee quarterly reports; and (ii) timely pay fees incurred pursuant to 28
6 U.S.C. Section 1930(a)(6).⁸

7 The following chart lists all of the Debtors' Section 507(a)(1) administrative claims and their
8 treatment under the Plan. The Plan Proponents reserve the right to object to the administrative claims
9 listed below and these amounts are provided as estimates. The Plan Proponents believe that the total
10 amount owed will be less than what is reflected in the below chart.

NAME	AMOUNT OWED ⁹	TREATMENT
Administrative Claims (Incurred in the Ordinary Course of Business)	Estimated at approximately \$50,000.	Allowed Administrative Claims representing post-Petition Date liabilities incurred by the Debtors or the Reorganized Debtors in the ordinary course of business, for which no approval by the Bankruptcy Court is required, shall be paid in full in the ordinary course of business by the Reorganized Debtors in accordance with the terms and conditions of the particular transaction giving rise to such liabilities and any agreements relating thereto.
BG Law LLP, bankruptcy counsel to the Debtors	Approximately \$700,000 in addition to the post-petition payments made to BG pursuant to the order approving the Fee Procedures Motion [Doc. No. 214] (the "Interim Compensation Order").	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses by the Plan Distribution Trustee, unless otherwise agreed to.

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24
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8 The quarterly fees owed to the United States Trustee are due and owing every quarter, without the
requirement for the United States Trustee to file an administrative claim or a proof of claim. There is
also no bar date for quarterly fees.

9 The amounts set forth in this chart are estimates of the administrative claim amounts that the Plan
Proponents believe each administrative claimant may be entitled to on the Effective Date in addition
to any amounts paid to such claimant pursuant to the Interim Compensation Order. The amounts set
forth in this chart are subject to change.

	NAME	AMOUNT OWED ⁹	TREATMENT
1	Province, LLC, financial advisor to the Debtors	Approximately \$700,000 in addition to the post-petition payments made by the Debtors in connection with the Interim Compensation Order.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses by the Plan Distribution Trustee, unless otherwise agreed to.
2	Jerrel G John, bookkeeper and accountant to the Debtors	Approximately \$50,000 in addition to the post-petition payments made by the Debtors in connection with the Interim Compensation Order.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses by the Plan Distribution Trustee, unless otherwise agreed to.
3	Marula Capital Group, financial advisor – valuation services to the Debtors	Approximately \$50,000 in addition to amounts paid to Marula Capital Group pursuant to its employment order [Doc. No. 135] and pursuant to any payments made by the Debtors in connection with the Interim Compensation Order.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses by the Plan Distribution Trustee, unless otherwise agreed to.
4	Golden Goodrich LLP, counsel to the Committee	Approximately \$250,000 in addition to the post-petition payments made by the Debtors in connection with the Interim Compensation Order.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses by the Plan Distribution Trustee, unless otherwise agreed to.
5	Force Ten Partners, LLC, financial advisor to the Committee	Approximately \$200,000 in addition to the post-petition payments made by the Debtors in connection with the Interim Compensation Order.	Paid in full on the later of the Effective Date and the date the Court enters an order allowing such fees and expenses by the Plan Distribution Trustee, unless otherwise agreed to.
6	Omni, noticing and solicitation agent for the Debtors	\$0	Paid by the Debtors or the Reorganized Debtors in the ordinary course of business pursuant to the order approving Omni's employment [Doc. No. 134]
7	STS Capital	3% of any Sale transaction if FitLife is the successful buyer and the purchase price is less than \$41 million, or a \$3 million fee if an alternate party is the ultimate buyer under the Sale.	Unless and until General Unsecured Claims are paid in full, STS's fee is capped at 3%. STS will not be entitled to any additional payment by the Plan Distribution Trustee until after all Allowed General Unsecured Claims have been paid in full.
8	TOTAL	Between Approximately \$4 million and \$6 million estimated	Paid in the manner described above

1 Reservation of Rights

2 **Nothing in the Plan or Disclosure Statement and nothing set forth in the above chart
3 should be construed as an admission by the Plan Proponents or any other party as to the
4 validity of the asserted / projected Professional Fee Claims. The Debtors, the Committee, the
5 OUST, the Creditors and all other parties in interest reserve all rights to object to Professional
6 Fee Claims.**

7 Court Approval of Fees Required:

8 The Bankruptcy Court must approve, or must have previously approved on a final basis, all
9 Professional Fee Claims listed in the foregoing chart before they may be paid. Only the amount of
10 fees and expenses approved by the Bankruptcy Court is required to be paid under the Plan. The
11 administrative claim amounts set forth above for professional fees and expenses simply represent the
12 Debtors' best estimate as to the amount of Allowed Professional Fee Claims, which estimates
13 assume that the Debtors make all of the post-petition professional fee monthly payments that the
14 Bankruptcy Court may authorize the Debtors to make. The actual Administrative Claims for
15 Professional fees and expenses may be higher or lower. By voting to accept the Plan, Creditors are
16 not acknowledging the validity of, or consenting to the amount of, any of these Administrative
17 Claims for professional fees and expenses, and Creditors are not waiving any of their rights to object
18 to the allowance of any of these Professional Fee Claims. Also, the Professionals employed in these
19 Cases may, prior to the Effective Date, seek Court approval of interim fees and expenses incurred in
20 excess of the post-petition professional fee monthly payments received by such Professionals,
21 pursuant to orders of the Bankruptcy Court. To the extent any such interim fees and expenses are
22 allowed by the Bankruptcy Court and paid by the Debtors prior to the Effective Date, that will
23 reduce the amount of professional fees and expenses to be paid by the Reorganized Debtors.

24 **The last day to file any Administrative Claims (but NOT for ordinary post-petition
25 operating obligations or Professional Fee Claims) is thirty (30) days after the Effective Date.**

26 Administrative expenses will be paid on the later of the Effective Date or 10 days after the entry of a
27 Final Order allowing the administrative expense, unless the administrative claimant has consented
28

1 otherwise in writing. On or before the Effective Date, the Debtors or the Plan Distribution Trustee
2 will serve notice of an administrative bar date on all potential administrative claimants.

3 **2. Priority Tax Claims.**

4 Priority tax claims include certain unsecured income, employment and other taxes described
5 by Section 507(a)(8) of the Bankruptcy Code. The Bankruptcy Code requires that each holder of
6 such a Section 507(a)(8) priority tax claim receive the present value of such claim in deferred cash
7 payments, over a period not exceeding five years from the Petition Date. The Debtors believe that
8 they owe the following priority tax claims:

10 Class No.	11 Description	12 Estimated Amount	13 Estimated Projected Payment / Treatment for 14 Allowed Claims
15 N/A	16 Priority Tax Claim of 17 Canada Revenue 18 Agency	19 Estimated at \$17,438.37.	20 Full payment by the Plan Distribution Trustee 21 within fourteen days of the Effective Date.
22 N/A	23 Priority Tax Claim of CA 24 Department of Tax and 25 Fee Administration	26 Estimated at \$2,697.30.	27 Full payment by the Plan Distribution Trustee 28 within fourteen days of the Effective Date.
29 N/A	30 Priority Tax Claim of 31 State of Washington	32 Estimated at \$907.62.	33 Full payment by the Plan Distribution Trustee 34 within fourteen days of the Effective Date.
35 N/A	36 Priority Tax Claim of 37 Massachusetts 38 Department of 39 Revenue	40 Proof of Claim No. 1-1 41 filed in Case No. 1:24-bk- 42 11326-VK in the amount 43 of \$1,451.53.	44 The Debtors are in the process of investigating 45 this claim. If allowed, full payment by the Plan 46 Distribution Trustee.
47 N/A	48 Priority Tax Claim of 49 Michigan Department 50 of Treasury	51 Proof of Claim No. 6-1 52 filed in Case No. 1:24-bk- 53 11326-VK in the amount 54 of \$5,879.43.	55 The Debtors are in the process of investigating 56 this claim. If allowed, full payment by the Plan 57 Distribution Trustee.
58 N/A	59 Priority Tax Claim of 60 Oregon Department of 61 Revenue	62 Proof of Claim No. 36-2 63 filed in Case No. 1:24-bk- 64 11323-VK in the amount 65 of \$10,942.54.	66 The Debtors are in the process of investigating 67 this claim. If allowed, full payment by the Plan 68 Distribution Trustee.
69 N/A	70 Priority Tax Claims of 71 the Internal Revenue 72 Service ("IRS")	73 Estimated at \$0.	74 While the IRS has filed millions of dollars of 75 claims against the Estates, the Debtors' 76 accountant is in the process of resolving each 77 alleged claim. The Debtors do not believe that 78 they will ultimately have any liability to the IRS. 79 To the extent the IRS has Allowed Claims in 80 these cases, they will be paid in full within the 81 later of fourteen days of the Effective Date or 82 entry of an order allowing the IRS claim(s). To 83 the extent the IRS has any allowed claims, such 84 claims shall be paid by the Reorganized Debtors 85 (and not the Plan Distribution Trustee).

1	Class No.	Description	Estimated Amount	Estimated Projected Payment / Treatment for Allowed Claims
2	3	4	5	6
7	N/A	8 Priority Tax Claim of 9 Franchise Tax Board 10 ("FTB")	11 Proof of Claim No. 2-1 12 filed in Case No. 1:24-bk- 13 11323-VK in the amount 14 of \$2,854.52. 15 16 Proof of Claim No. 60-1 17 filed in Case No. 1:24-bk- 18 11323-VK in the amount 19 of \$98,210.37. 20 21 Proof of Claim No. 5-1 22 filed in Case No. 1:24-bk- 23 11326-VK in the amount 24 of \$26,394.93. 25 26 Estimated at \$3,000	27 The Debtors believe the FTB's claims will be 28 reduced significantly once they file their 2023 tax returns. To the extent the FTB has an allowed claim, such amount will be paid by the Plan Distribution Trustee. The Debtors believe they owe less than \$3,000 to the FTB.

10 **C. Classified Claims and Interests.**

11 **1. Class of Secured Claims.**

12 Secured Claims are claims secured by liens on property of the estate. The following chart
13 sets forth the description and treatment of the Debtors' known Secured Claims.

14	15	CLASS #	DESCRIPTION	IMPAIRED (Yes/No)	TREATMENT
16	17	18	19 Previously Secured claim of East 20 West Bank, as Agent ("EWB") and 21 CFG Bank ("CFG") 22 23 Collateral Description: None. EWB 24 has been paid \$25,658,075.80 post- 25 petition by the Debtors. As such, 26 pursuant to Section 5.06 of the 27 Security Agreement dated February 28 1, 2023 between the Debtors and 1 EWB (the "Security Agreement"), all 2 security interests granted in the 3 Security Agreement were released 4 and terminated when all obligations 5 were paid in full in cash (other than 6 unasserted contingent 7 indemnification obligations and/or 8 unasserted expense reimbursement 9 obligations). 10 11 *Debtors reserve all their rights to 12 assert claims against EWB	13 No.	14 **The Debtors scheduled this claim as 15 Unliquidated and Disputed and reserve 16 all rights with respect to objecting to 17 amounts paid to EWB for excessive fees 18 and to assert affirmative claims against 19 EWB and CFG. 20 21 Treatment: 22 The Debtors' position is that EWB has 23 been paid in full and is no longer a 24 secured creditor or otherwise entitled to 25 charge fees and costs to the estates after 26 August 11, 2025. 27 28 Notwithstanding, if it is determined that EWB is owed any additional amount (other than unasserted contingent indemnification obligations and/or unasserted expense reimbursement obligations), the Plan provides that such claim will be paid in full by the Reorganized Debtors within three (3) business days of the date that EWB submits an accounting and invoice to the Debtors or on the Effective Date in an

1	CLASS #	DESCRIPTION	IMPAIRED (YES/NO)	TREATMENT
2		Filed Claim: Claim 48 [Case No. 11323]: \$19,381,507.84 plus interest and fees. Duplicate Claims: Claim 1 [Case No. 11325] Claim 3 [Case No. 11326] Claim 5 [Case No. 11324]		amount determined by the Bankruptcy Court. In light of payment in full, the Security Agreement specifically provides that any and all security interests granted by the Security Agreement "shall be released and terminated when all Obligations have been paid in full in cash (other than unasserted contingent indemnification obligations and unasserted expense reimbursement obligations) and when the Commitments have terminated." See, Section 5.06 of the Security Agreement. Unimpaired. Not Entitled to Vote.

11 **2. Classes of Priority Unsecured Claims.**

12 Certain Priority Claims that are referred to in Bankruptcy Code Sections 507(a)(3), (4), (5),
13 (6), and (7) are required to be placed in Classes. These types of Claims are entitled to priority
14 treatment as follows: the Bankruptcy Code requires that each holder of such a Claim receive cash on
15 the Effective Date equal to the allowed amount of such claim. However, a class of unsecured
16 priority claim holders may vote to accept deferred cash payments of a value, as of the Effective
17 Date, equal to the allowed amount of such claim. The Debtors do not believe that there are any valid
18 outstanding Section 507(a)(3), (5), (6), or (7) priority unsecured claims. If there are any allowed
19 priority unsecured claims as of the Effective Date, these claims will be paid in full by the Plan
20 Distribution Trustee on the Effective Date (or as soon as practicable thereafter). All allowed Section
21 507(a)(3), (5), (6), or (7) priority unsecured claims, if any, will be characterized as Priority Claims.

22 There is one valid outstanding Section 507(a)(4) priority unsecured claim, which claim and
23 treatment are set forth below:

24	CLASS #	DESCRIPTION	IMPAIRED (YES/NO)	TREATMENT
25	2	Employee Wage Claim of \$5,991.80	Yes.	Paid by the Plan Distribution Trustee in full within 14 days of the Effective Date. Impaired; entitled to vote.

1 **3. Classes of General Unsecured Claims.**

2 General Unsecured Claims are classified and treated as follows:

<u>CLASS</u> <u>#</u>	<u>DESCRIPTION</u>	<u>IMPAIRED</u> (Yes/No)	<u>TREATMENT</u>
3	<p>General Unsecured Claims [Excluding Insider Claims]</p> <p>Estimated at approximately \$5 to \$7 million. (This number may change based upon resolution of objections to Disputed Claims.)</p> <p>[This estimation does not include any intercompany claims as the Debtors' have agreed to subordinate all of their intercompany claims to those of Allowed General Unsecured Claims.]</p>	Yes.	<p>Treatment:</p> <p>Allowed General Unsecured Claims will be paid in full by the Plan Distribution Trustee within fourteen days of the Effective Date (assuming the Plan Distribution Trustee is in possession of a W-9 for each creditor holding an Allowed Claim)¹⁰.</p> <p>Interest shall accrue at the California default state law rate of 10% on all Allowed General Unsecured Claims commencing as of the Petition Date.</p> <p>Upon resolution of the Debtors' objections to disputed General Unsecured Claims, the respective claimants shall be paid their Allowed General Unsecured Claim in full within ten (10) days of a final non-appealable order allowing such claim.</p> <p>The treatment proposed herein shall be in full settlement and satisfaction of all General Unsecured Claims.</p>
4	<p>General Unsecured Claim of Insider Klee Irwin (\$1,035,682.49 – plus 4.43% interest from the Petition Date)</p> <p>Subordinated Promissory Note Dated October 19, 2023</p> <p>Proof of Claim No. 55</p>	Yes.	<p>Treatment:</p> <p>Subordinated to Allowed General Unsecured Claims of non-insiders. Paid in full after the payment in full of Class 3 Allowed Claims by the Plan Distribution Trustee.</p> <p>Impaired; Entitled to Vote</p>
5	<p>General Unsecured Claim of Insider Mark Green (\$1 million due only upon certain types of liquidation events as described in the contract)</p>	Yes.	<p>Treatment:</p> <p>Subordinated to Allowed General Unsecured Claims of non-insiders.</p> <p>Late filed and no basis for claim per contract terms. The Debtors intend to object. If allowed, payment by the Plan Distribution Trustee after payment in full of Class 3 Allowed Claims.</p> <p>Impaired; Entitled to Vote</p>

27 ¹⁰ If the Debtors and/or the Plan Distribution Trustee are not in possession of a W-9 for any creditor, the Debtors and/or the Plan Distribution Trustee will send a written request to such creditor(s). Payment will be paid only after the receipt of a W-9 from such creditor.

1 **4. Classes of Interest Holders.**

2 Interest holders are the parties who hold an ownership interest (i.e., equity interest) in the
3 Debtor. The following chart identifies the Plan's treatment of the class of interest holders:

5 CLASS #	6 DESCRIPTION	7 IMPAIRED 8 (YEs/No)	9 TREATMENT
10 6	11 <u>IN Nevada</u> 12 IN Nevada's current equity holders 13 who collectively own 100% of IN 14 Nevada: Equity Interests of Klee Irwin 15 (90% Non-Voting Interest), Klee & 16 Margareth Irwin Children's Trust (10% 17 Non-Voting Interest) and DAI US 18 HoldCo, Inc. (100% Voting Interest)	19 Yes.	20 Treatment: 21 Equity holders shall retain their 22 respective interests. 23 Unimpaired. Not Entitled to Vote.
24 7	25 <u>IN Canada</u> - Equity Interest of Public 26 Shareholders 27 IN Canada owns 100% of DAI, which 28 owns 2% of IN Nevada.	29 Yes.	30 Treatment: IN Canada will remain a 31 public company. IN Canada 32 Shareholders may elect their 33 treatment as follows: IN Canada 34 Shareholders will retain their existing 35 number of equity shares unless IN 36 Canada Shareholders vote to receive a 37 pro rata cash distribution of \$225,000 38 (eligible only for non-insider 39 shareholders). 40 Impaired; Entitled to Vote.
41 8	42 <u>DAI US HoldCo</u> 43 Owned 100% by IN Canada, owns 2% 44 of IN Nevada but owns 100% Voting 45 Shares.	46 No.	47 Treatment: All Equity Interest shall 48 remain the same. 49 Unimpaired. Not Entitled to Vote
50 9	51 <u>5310 Holdings, LLC</u> 52 Owned 100% by IN Nevada	53 No.	54 Treatment: All Equity Interest shall 55 remain the same. 56 Unimpaired. Not Entitled to Vote

57 **D. Means of Effectuating the Plan and Implementation of the Plan.**

58 **1. Plan Funding.**

59 The Plan will be funded by the Debtors' cash of \$20.5 million. The Reorganized Debtors will

1 be responsible for directly paying, among other things, any allowed claim of the IRS, any allowed
2 claim of EWB, ordinary course administrative expenses, and UST quarterly fees. The Plan
3 Distribution Trustee will be responsible for paying all other allowed claims including pre-Effective
4 Date professional fees, administrative tax claims, 503(b)(9) claims, priority claims and general
5 unsecured claims. The Plan Distribution Trust will be funded with \$13.5 million in Cash contributed
6 by the Reorganized Debtors from the aforementioned \$20.5 million in Cash on the Effective Date.
7 Against this amount, the total amount of claims to be paid from the Plan Distribution Trust are
8 approximately \$13.27 million. A chart summarizing such claims is set forth at page 68 of this
9 Disclosure Statement discussing feasibility.

10 **2. Composition of the Debtors Post-Confirmation.**

11 On the Effective Date, IN Canada will remain a British Columbia Corporation and a public
12 company. IN Canada's CEO will remain Klee Irwin, and the make up of the current board of
13 directors shall remain intact.

14 On the Effective Date, IN Nevada will remain a Nevada corporation. IN Nevada's CEO will
15 remain Klee Irwin. IN Nevada's Independent Director position will terminate on the Effective Date.

16 On the Effective Date, Mr. Irwin shall continue as the CEO of DAI.

17 On the Effective Date, IN Nevada will continue to be the managing member of 5310.

18 **3. Plan Distribution Trust.**

19 **a. Establishment of the Plan Distribution Trust**

20 The Plan Distribution Trust shall be established and shall become effective on the Effective
21 Date. The Plan Distribution Trust is created pursuant to the Plan and the Confirmation Order, and no
22 separate trust instrument shall be required. The sole purpose of the Plan Distribution Trust will be to
23 hold \$13.5 million in Cash to make the Distributions required of it by the Plan. Each creditor holding
24 an Allowed Claim will receive in full satisfaction, settlement, release and discharge of such Claim,
25 payment in full of such Allowed Claim from the Plan Distribution Trust.

26 **b. Plan Distribution Trust Assets**

27 The Plan Distribution Trust will be funded with the Trust Assets, which consist of \$13.5
28 million in Cash free and clear of all liens, claims, encumbrances and/or interests of any party. The

1 Plan Distribution Trustee may retain a distribution agent (or any other party he or she deems
2 appropriate) to assist with Distributions.

3 c. The Term of the Plan Distribution Trust

4 The initial term of the Plan Distribution Trust shall be two (2) years (the "Initial Term");
5 provided, however, that the term of the Plan Trust may be automatically extended for an additional
6 two-year term by the Plan Distribution Trustee upon the filing of a notice by the Plan Distribution
7 Trustee prior to the expiration of the Initial Term and the Plan Distribution Trustee will serve such
8 notice on the Reorganized Debtors' counsel. Thereafter, the term of the Plan Trust may be extended
9 for a further finite term upon a finding of "cause" by the Court. The Plan Distribution Trustee may
10 seek such an extension of the Plan Distribution Trust's term by motion filed by the expiration of the
11 term to be extended. The Plan Distribution Trust may be terminated earlier than its scheduled
12 termination if the Plan Distribution Trustee has completed all payments required under the Plan, has
13 paid any taxes, fees and penalties associated with the Plan Distribution Trustee's administration of
14 the Trust Assets, and has performed all other duties required by the Plan. Upon the termination of
15 the Plan Distribution Trust, the Plan Distribution Trustee shall be discharged and exonerated and any
16 assets remaining in the Plan Distribution Trust shall vest in the Reorganized Debtors.

17 d. The Plan Distribution Trustee

18 (i) **Appointment**

19 The appointment of the Plan Distribution Trustee shall be effective as of the Effective Date.
20 Bradley Sharp of Development Specialists, Inc. ("DSI") shall be the initial Plan Distribution Trustee.
21 The Plan Distribution Trustee may resign upon sixty (60) days' advance written notice to the
22 Reorganized Debtors so long as a replacement trustee has been appointed. The Plan Distribution
23 Trustee may be removed by order of the Court for "cause." The Plan Distribution Trustee shall bill
24 his and DSI's time on an hourly basis and estimate that fees will be approximately \$75,000.

25 The Plan Trustee shall act as a fiduciary and shall not be personally liable in connection with
26 the affairs of the Plan Distribution Trust or to any person except for such of the Plan Distribution
27 Trustee's acts or omissions that constitute fraud, willful misconduct, or gross negligence, as
28 determined by a court of competent jurisdiction. In addition, the Plan Distribution Trustee shall be

1 indemnified by the Plan Distribution Trust against and held harmless by the Plan Distribution Trust
2 from any losses, claims, damages, liabilities, or expenses (including without limitation, attorneys'
3 fees, disbursements, and related expenses) to which the Plan Distribution Trustee may become
4 subject in connection with any action, suit proceeding, or investigation brought or threatened against
5 the Plan Distribution Trustee in connection with any matter arising out of or related to the Plan
6 Distribution Trust (other than in respect of acts or omissions that constitute fraud, willful
7 misconduct, or gross negligence, as determined by a court of competent jurisdiction).

8 The Plan Trustee shall be entitled to obtain customary fiduciary and/or errors and omissions
9 liability insurance at the expense of the Plan Distribution Trust and engage independent legal
10 counsel and financial advisors to assist with its evaluation of any matters with respect to the Plan
11 Distribution Trust at the expense of the Plan Distribution Trust.

12 (ii) **Term of the Plan Trustee**

13 Unless the Plan Distribution Trustee resigns, dies or is removed by Court order earlier, the
14 Plan Distribution Trustee's term shall expire upon termination of the Plan Distribution Trust pursuant
15 to the Plan. In the event the Plan Distribution Trustee resigns, dies or is removed by Court order
16 prior to termination of the Plan Trust, the Reorganized Debtors shall appoint a successor trustee.
17 Upon the termination of the Plan Distribution Trust, the Plan Distribution Trustee may destroy or
18 otherwise dispose of the books and records of the Plan Distribution Trust.

19 (iii) **The Plan Distribution Trustee's Powers and Duties**

20 On the Effective Date, the Plan Distribution Trustee shall have the rights, powers and duties
21 set forth in the Plan and the Confirmation Order. The Plan Distribution Trustee shall be governed in
22 all things by the terms of the Plan and the Confirmation Order, and the Plan Distribution Trustee
23 shall administer the Plan Distribution Trust in accordance with the Plan. The Plan Distribution
24 Trustee shall be authorized, empowered and directed to take all actions necessary to comply with the
25 Plan and exercise and fulfill the duties and obligations arising thereunder, including, without
26 limitation to:

27 • Employ, retain, and replace one or more attorneys, accountants and advisors as
28 necessary to discharge the duties of the Plan Distribution Trustee under the Plan and

1 to pay such professionals their reasonable and necessary fees and costs from the Trust
2 Assets in the ordinary course of business without further order of the Bankruptcy
3 Court;

4 • Open, maintain and administer bank accounts for Cash of the Plan Distribution Trust as
5 necessary to discharge the duties of the Plan Distribution Trustee under the Plan;
6 • Make Distributions to the Holders of Allowed Claims in accordance with the Plan;
7 • Administer the Plan Distribution Trust in accordance with the terms of the Plan;
8 • Incur and pay from the Trust Assets reasonable and necessary expenses in connection
9 with the performance of the Plan Distribution Trustee's duties under the Plan;
10 • Represent the Plan Distribution Trust before the Court and other courts of competent
11 jurisdiction with respect to matters concerning the Plan Distribution Trust;
12 • Comply with applicable orders of the Court and any other court of competent
13 jurisdiction over the matters set forth in the Plan;
14 • Comply with all applicable laws and regulations concerning the matters set forth in the
15 Plan
16 • Exercise such other powers as may be vested in the Plan Distribution Trust pursuant to
17 the Plan, the Confirmation Order, or other Final Orders of the Court;
18 • Execute any documents, instruments, contracts, and agreements necessary and
19 appropriate to carry out the powers and duties of the Plan Distribution Trust;
20 • Seek a determination of tax liability under § 505 of the Code, pay taxes, if any, related
21 to the Plan Distribution Trust, and file, if necessary, any and all tax and information
22 returns required with the respect to the Plan Distribution Trust, including, if
23 appropriate, treating the Plan Distribution Trust as a "grantor trust" pursuant to Treas.
24 Reg. 1.671-4 or otherwise, make tax elections by and on behalf of the Plan
25 Distribution Trust, and pay taxes, if any, payable by the Plan Distribution Trust; and
26 • Cause to be prepared and to file federal, state, and local tax returns related to the Plan
27 Distribution Trust as necessary.

1 (iv) **Trust Distributions**

2 The Plan Distribution Trustee will make the Distributions to the Holders of Allowed Claims
3 in accordance with the terms of the Plan. Persons dealing with the Plan Distribution Trustee, or
4 seeking to assert Claims against the Debtors, the Reorganized Debtors, the Estates, or the Plan
5 Distribution Trust, shall look only to property of the Plan Distribution Trust to satisfy any liability to
6 such Persons, and the Plan Distribution Trustee shall have no personal or individual obligation to
7 satisfy any such liability.

8 (v) **Federal Income & Taxation of the Plan Distribution Trust**

9 For federal income tax purposes, the Plan Distribution Trust is a "liquidating trust" within the
10 meaning of Treasury Income Tax Regulation Section 301.7701-4(d) and IRS Revenue Procedure 94-
11 45, 1994-2 C.B. 124. The transfer of assets to the Plan Distribution Trust under the Plan is treated as
12 a deemed transfer to the persons entitled to receive Distributions from the Plan Distribution Trust
13 followed by a deemed transfer of assets by such persons to the Plan Distribution Trust. The persons
14 entitled to receive Distributions under the Plan will be deemed the grantors and owners of the Plan
15 Distribution Trust and its assets. The Plan Distribution Trust will be taxed as a "grantor trust" within
16 the meaning of IRC Sections 671-677 (a non-taxable pass-through tax entity) owned by the persons
17 entitled to receive Distributions under the Plan.

18 The Plan Distribution Trust will file federal income tax returns as a grantor trust under IRC
19 Section 671 and Treasury Income Tax Regulation Section 1.671-4 and report, but not pay tax on, the
20 Plan Distribution Trust's tax items of income, gain, loss deductions, and credits ("Tax Items"). The
21 persons entitled to receive Distributions under the Plan will report such Tax Items on their federal
22 income tax returns and pay any resulting federal income tax liability. The Plan Distribution Trust
23 and the persons entitled to receive Distributions under the Plan will use consistent valuations of the
24 assets transferred to the Plan Distribution Trust for all federal income tax purposes, such valuations
25 to be determined by the Plan Distribution Trustee. The taxation of the Plan Trust does not alter the
26 Reorganized Debtors' obligations to file appropriate tax returns and pay taxes.

27 (vi) **Beneficiaries of the Plan Distribution Trust**

28 The Holders of Allowed Unsecured Claims under the Plan, or any successors to such

1 Holders' Allowed Unsecured Claims ("Beneficiary" or "Beneficiaries") shall own a beneficial
2 interest in the Plan Distribution Trust as otherwise set forth in the Plan and shall, subject to the Plan,
3 be entitled to a Distribution, if any, in the amounts, and at the times, set forth in the Plan. Ownership
4 of a beneficial interest in the Plan Trust shall not be evidenced by any certificate, security, or receipt
5 or in any other form or manner whatsoever, except as maintained on the books and records of the
6 Plan Distribution Trust by the Plan Distribution Trustee. The ownership of a beneficial interest in the
7 Plan Distribution Trust shall not entitle any Beneficiary to any title in or to the Trust Assets or to any
8 right to call for a partition or division of the Trust Assets or to require an accounting. The Plan
9 Distribution Trustee shall make Distributions, if any, to the Beneficiaries in the manner provided in
10 the Plan. The rights of the Beneficiaries arising under the Plan Trust may be deemed "securities"
11 under applicable law.

12 However, such rights have not been defined as "securities" under the Plan because (a) the
13 intent of the Plan is that such rights shall not be securities, and (b) if the rights arising under the Plan
14 Distribution Trust are deemed to be "securities," the exemption from registration under § 1145 of the
15 Bankruptcy Code is intended to be applicable to such securities.

16 (vii) **Subordination**

17 The total estimated claims for claims to be paid through the Plan Distribution Trust are \$13.2
18 million and the Plan Distribution Trust is to be funded with \$13.5 million on the Effective Date. Of
19 the \$13.2 million in claims, approximately \$1 million of the allowed claims is the claim of Klee
20 Irwin, the Debtors' principal and an insider of these estates. Mr. Irwin's claim shall be subordinated
21 to all other claims and will not be paid until all claims have been administered and paid and all other
22 Plan Distribution Trust obligations have been paid in full unless the Plan Distribution Trustee
23 determines in his sole discretion that there are sufficient reserves to allow for the payment of such
24 claim. Per the STS employment order [Doc. No. 450], the payment of STS's fee beyond 3% is
25 waived until the payment in full of all Allowed General Unsecured Claims.

26 **4. Objections to Claims.**

27 The claims Bar Date in these cases was December 20, 2024 for non-governmental entities
28 [Doc. No. 200]. The Bar Date in these cases was February 5, 2025 for governmental entities.

1 Attached as **Exhibit A** to this Disclosure Statement is a Claim Chart, which identifies all of the
2 Debtors' scheduled claims and all of the filed proofs of claims which have been filed to date against
3 the Debtors. Following Confirmation of the Plan, the Reorganized Debtors shall be the sole entities
4 with the standing and authority to file objections to Claims in these cases, and shall have the right to
5 file objections to all Claims which are inconsistent with the Debtors' books and records unless the
6 Reorganized Debtors deems the inconsistency to be insignificant. **Any proof of claim that is filed**
7 **with the Bankruptcy Court and/or served on the Debtors after the Effective Date will be**
8 **deemed invalid (without the need for the Reorganized Debtors to file an objection to such late-**
9 **filed claim) unless the claimant files a motion for leave of Court to file such claim.**

10 As provided by Section 502(c) of the Bankruptcy Code, the Bankruptcy Court may estimate
11 any contingent, unliquidated or disputed claim for purposes of Confirmation of the Plan. The
12 Bankruptcy Court shall retain jurisdiction over the Debtors, the Plan Distribution Trust, these Cases
13 and these Estates to resolve and to adjudicate any and all such objections to Claims which are
14 commenced or continued following the Confirmation of the Plan. Nothing contained in the Plan
15 shall constitute a waiver or release by the Debtors of any rights of setoff or recoupment, or of any
16 defense, the Debtors or the Reorganized Debtors may have with respect to any claim, or of any basis
17 that the Debtors may have to object to any such claim.

18 **Any Proof of Claim or Interest that is filed with the Bankruptcy Court and/or served on**
19 **the Debtors or Plan Distribution Trustee after the Effective Date will be deemed invalid unless**
20 **the Claimant files a motion for leave of Court to file such Claim.**

21 The Debtors specifically reserve the right to file objections to any and all Claims set forth in
22 **Exhibit A** to this Disclosure Statement, and to any subsequently filed proofs of claim. An order
23 confirming the Plan shall not be *res judicata*, collateral estoppel, or other bar to the Debtors' rights
24 to object to such Claims after the Effective Date.

25 **5. Payment Upon Resolution of Disputed Claims.**

26 The Plan Distribution Trustee will not make any payment to the holder of a Disputed Claim
27 until such Disputed Claim becomes an Allowed Claim.

1 **6. Reservation of Rights of Reorganized Debtors to Prosecute Post-Bankruptcy**
2 **Litigation.**

3 (i) Lenders.

4 The Debtors reserve their rights to file and prosecute litigation against EWB and
5 CFG. The Debtors believe they have significant potential claims against the Lenders for
6 unreasonable aggressive actions EWB took pre-petition including, but not limited to, (i)
7 attempting to and succeeding in taking control of the Debtors' business by limiting the
8 Debtors' ability to employ historically successful business procedures, (ii) forcing the
9 Debtors to incur and pay unreasonable fees of EWB's professionals and professionals that
10 EWB forced the Debtors to retain, (iii) restricting the Debtors' ability to access funds
11 available under the applicable loan agreements while at the same time charging the Debtors
12 interest on those funds, (iv) restricting the Debtors' ability to utilize cash flow from
13 operations, and (v) increasing pressure on the Debtors and their management to force the
14 Debtors to release claims against the Lenders for which the Lenders should be held
15 accountable. The Lenders continued this unreasonable pattern of behavior post-petition. The
16 Debtors expressly reserve their right to pursue affirmative claims against the Lenders both in
17 contract and in tort for the Lenders malicious and bad faith conduct including for
18 compensatory and punitive damages and/or repayment of amounts paid to the Lenders for
19 excessive interest and other costs on account of the Lenders' claim.

20 (ii) Insiders.

21 The Debtors' principal and CEO Klee Irwin currently owes the Debtor \$4,143,304.45
22 in loans as of the Petition Date. Pursuant to the APA with FitLife, all of the Debtor's Claims
23 and /or causes of action, including loans and/or other receivables and/or notes payable to the
24 Debtors existing as of the closing date against Klee Irwin (collectively, the "Irwin Claims")
25 constitute Excluded Assets under the APA to remain with the Debtors on the condition that,
26 and if and only if, Klee Irwin executes an agreement in form and substance reasonably
27 acceptable to FitLife which provides for a release of claims and a non-disparagement
28 agreement from Klee Irwin in favor of FitLife and its affiliates (the "NDA"). The deadline

1 by which Mr. Irwin must execute the NDA has been extended by agreement until September
2 15, 2025. If Mr. Irwin does not execute the NDA in favor of FitLife, then pursuant to the
3 APA, the Irwin Claims shall constitute Purchased Assets acquired by, and belonging to
4 FitLife. To the extent these claims are retained by the Debtors, the Debtors do not intend to
5 pursue collection against Mr. Irwin at this time because the Debtors believe that Mr. Irwin's
6 notes are not currently collectible and because the Debtors believe that all Allowed Claims
7 will be paid in full. Nevertheless, the Debtors will retain these claims against Mr. Irwin
8 (unless such claims are acquired by FitLife).

9 (iii) Other Claims.

10 The Debtors' are reserving their rights with respect to other Avoidance Actions and
11 Causes of Action that were not purchased by FitLife in connection with the sale of the
12 Debtors' supplement business. Among other things, the Debtors may pursue claims against
13 Adam Berk related to a past due note. The Debtors may supplement this section with
14 additional claims as appropriate.

15 **7. Payment of Professional Fees and Expenses Incurred After the Effective Date.**

16 The Reorganized Debtors and the Plan Distribution Trustee shall be entitled to employ such
17 professionals that they deem appropriate and to pay the fees and expenses incurred by such
18 professionals in the ordinary course without any further order of the Bankruptcy Court.

19 **8. Distributions to Be Made Pursuant to the Plan.**

20 Except as otherwise agreed to by the Plan Distribution Trustee or Reorganized Debtors in
21 writing, Distributions to be made to holders of Allowed Claims pursuant to the Plan may be
22 delivered by regular mail, postage prepaid, to the address shown in the Debtors' Schedules, as they
23 may from time to time be amended in accordance with Bankruptcy Rule 1009, or, if a different
24 address is stated in a proof of claim duly filed with the Bankruptcy Court, to such address. Checks
25 issued to pay Allowed Claims shall be null and void if not negotiated within ninety (90) days after
26 the date such check was mailed to the intended recipient. Those funds represented by voided checks
27 that were not timely negotiated shall become the property of the Plan Distribution Trust or the
28 Reorganized Debtors, as applicable.

1 Beneficiaries of the Plan Distribution Trust (each a “Beneficiary” and collectively, the
2 “Beneficiaries”) shall be required to certify such Beneficiary’s taxpayer identification number, and
3 that payments to such Beneficiary are exempt from backup withholding. Any Beneficiary who fails
4 to provide this certification to the Plan Distribution Trustee within thirty (30) days of the mailing of
5 the Plan Distribution Trustee’s request to such Beneficiary for same, shall forfeit and not be entitled
6 to receive any Distribution. The Plan Distribution Trustee shall file with the Bankruptcy Court a
7 “Notice of Forfeiture” reflecting any beneficial interests in the Plan Distribution Trust which have
8 been forfeited pursuant to this paragraph.

9. Corporate Matters.

10 The occurrence of the Effective Date shall constitute all approvals, consents and actions
11 required by any officers of the Debtors under applicable law, and shall enable the Debtors or the
12 Reorganized Debtors to execute any documents, instruments or agreements, and to take all corporate
13 and other actions that are specified in the Plan or the Plan Confirmation Order that are necessary or
14 appropriate to perform, implement and effectuate the Plan.

10. Release of Liens.

16 Because all Allowed Claims are being paid in full, on the Effective Date, all liens or other
17 security interests in or against property of the Estates shall be released. The Reorganized Debtors
18 shall be empowered to file such pleadings and/or record such documents or instruments as necessary
19 to eliminate, expunge or release such liens from their respective assets.

11. Exemption from Transfer Taxes.

Pursuant to § 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of a security, or the making or delivery of an instrument of transfer under a plan confirmed under § 1129 of the Bankruptcy Code, may not be taxed under any law imposing a stamp tax or similar tax. Transfers under the Plan that are exempt from taxes under § 1146(c) of the Bankruptcy Code include all transfers by the Debtors after the commencement of their chapter 11 Cases in contemplation of the Plan but prior to the Effective Date, and all transfers to and by the Debtors and the Plan Distribution Trustee. The taxes from which such transfers are exempt include stamp taxes, recording taxes, sales and use taxes, transfer taxes, and other similar taxes.

12. **Exculpations and Releases.**

2 *To the maximum extent permitted by law, neither the Debtors, Klee Irwin, Dan Wing,*
3 *Mark Green, the Reorganized Debtors, the Independent Director, the Committee members, nor*
4 *any of their Professionals (collectively, the “Exculpated Parties”), shall have or incur liability to*
5 *any Holder of a Claim or Equity Holder, or any other party in interest with respect to any claim or*
6 *Cause of Action based on conduct taken or omitted to be taken in good faith after the Petition*
7 *Date and on or before the Effective Date in connection with, or arising out of the formulating,*
8 *negotiating, soliciting, preparing or confirming the Plan, Disclosure Statement and all exhibits*
9 *thereto and/or the transactions contemplated therein, or a contract, instrument, release or other*
10 *agreement or document created or entered into in connection with the Plan (collectively, the*
11 *“Exculpated Claims”). The foregoing exculpation shall have no effect on liability of any*
12 *Exculpated Party that results from any act or omission that is determined in a Final Order to have*
13 *constituted fraud, gross negligence, willful misconduct, or professional malpractice. For the*
14 *avoidance of doubt, the exculpation provided herein: (i) shall only apply to conduct which*
15 *occurred from the Petition Date through the Effective Date, with the exception of conduct relating*
16 *to post-Effective Date modifications or amendments of the Plan, and (ii) with respect to*
17 *Professionals, shall only apply to Exculpated Claims arising during the period such Professional*
18 *was a Bankruptcy Court approved Professional and shall not apply to any Exculpated Claims*
19 *arising prior thereto or thereafter.*

20 E. **Other Provisions of the Plan.**

21 1. **Executory Contracts and Unexpired Leases.**

22 The Debtors do not believe they will be assuming any executory contracts or unexpired
23 leases under the Plan. If this changes, the Debtors will update this information in an amended
24 disclosure statement. To the extent that there are any executory contracts or unexpired leases which
25 have not been previously rejected, then such executory contract or unexpired lease shall be deemed
26 rejected on the Effective Date.

27 THE BAR DATE FOR FILING A PROOF OF CLAIM BASED ON A CLAIM ARISING
28 FROM THE REJECTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE

1 WHICH IS REJECTED ON THE EFFECTIVE DATE SHALL BE THIRTY (30) DAYS AFTER
2 THE EFFECTIVE DATE. Any claim based on the rejection of an unexpired lease or executory
3 contract will be barred if the proof of claim is not timely filed, unless the Bankruptcy Court orders
4 otherwise. Any Allowed Claim resulting from the rejection of an unexpired lease or executory
5 contract will be classified and treated as a Class 3 Allowed Claim.

6 **2. Risk Factors.**

7 The Plan Proponents do not believe that there is any risk of non-performance of the Plan
8 since the Plan Distribution Trust is to be funded with \$13.5 million, which is approximately \$1
9 million more than the high estimate for the total amount of claims in these cases.

10 **3. Changes in Rates Subject to Regulatory Commission Approval.**

11 The Debtors are not subject to governmental regulatory commission approval of their rates.

12 **F. Retention of Jurisdiction.**

13 Following the Confirmation of the Plan and occurrence of the Effective Date, in addition to
14 jurisdiction which exists in any other court, the Bankruptcy Court shall retain such jurisdiction as is
15 legally permissible including for the following purposes:

16 1. To resolve any and all disputes regarding the operation and interpretation of the Plan
17 and the Confirmation Order;

18 2. To determine the allowability, classification, or priority of Claims and to consider any
19 objection to claim or interest whether such objection is filed before or after the Effective Date;

20 3. To determine the extent, validity and priority of any lien asserted against any Asset or
21 property of the Debtors or the Debtors' Estates;

22 4. To construe and take any action to enforce the Plan, the Confirmation Order, and any
23 other order of the Bankruptcy Court, issue such orders as may be necessary or appropriate for the
24 implementation, execution, performance, and consummation of the Plan, the Confirmation Order,
25 and all matters referred to in the Plan and the Confirmation Order, and to determine all matters that
26 may be pending before the Bankruptcy Court in this Case on or before the Effective Date;

1 5. To determine (to the extent necessary) any and all applications for allowance of
2 compensation and reimbursement of expenses of Professionals for the period on or before the
3 Effective Date;

4 6. To determine any request for payment of administrative expenses;

5 7. To determine motions for the rejection, assumption, or assignment of executory
6 contracts or unexpired leases filed before the Effective Date and the allowance of any Claims
7 resulting therefrom;

8 8. To determine all applications, motions, adversary proceedings, contested matters, and
9 any other litigated matters instituted during the pendency of these Cases whether before, on, or after
10 the Effective Date, including Claims, Causes of Action, and Avoidance Actions, and the
11 Reorganized Debtors shall have the right to commence in the Bankruptcy Court any Causes of
12 Action, including any Avoidance Actions, after the Effective Date, and to continue with the
13 prosecution in the Bankruptcy Court of any such claims, Causes of Action and Avoidance Actions
14 which were commenced but not completed by the Debtors prior to the Effective Date;

15 9. To determine such other matters and for such other purposes as may be contemplated
16 by the Plan or Confirmation Order;

17 10. To modify the Plan under § 1127 of the Bankruptcy Code in order to remedy any
18 apparent defect or omission in the Plan, or to reconcile any inconsistency in the Plan, so as to carry
19 out its intents and purposes;

20 11. Except as otherwise provided in the Plan or the Confirmation Order, to issue
21 injunctions, to take such other actions, or make such other orders, as may be necessary or
22 appropriate to restrain interference with the Plan or the Confirmation Order, or the execution or
23 implementation by any Person or other entity of the Plan or the Confirmation Order;

24 12. To issue such orders in aid of consummation, and in aid of implementation, of the
25 Plan and the Confirmation Order, notwithstanding any otherwise applicable nonbankruptcy law,
26 with respect to any Person or entity, to the fullest extent authorized by the Bankruptcy Code or
27 Bankruptcy Rules; and

28 13. To enter a final decree closing these Cases.

1 **G. Amendments to Corporate Documents.**

2 On the Effective Date, the Debtors' officers and board members and the Plan Distribution
3 Trustee shall be authorized to amend any corporate documents as necessary and to take all actions
4 necessary and appropriate to carry out the terms of the Plan.

5 **H. Dissolution of the Committee.**

6 On the Effective Date, the Committee, to the extent that it serves as the Official Committee
7 of Unsecured Creditors appointed in the bankruptcy cases of IN Nevada and IN Canada, shall be
8 dissolved and its members shall be released and discharged from all rights and duties arising from or
9 related to these Cases.

10 **I. Miscellaneous Issues Regarding Plan Distribution.**

11 **1. No Fractional Distributions.**

12 No Distributions in fractions of hundredths of U.S. Dollars (\$0.00's) (i.e., cents) shall be
13 issued. If the Distribution amount allocated to an Allowed Claim at the time of a Distribution
14 hereunder would include fractions of cents, the amount to be distributed to the holder of such Claim
15 shall be rounded down to the highest integral number of cents in the applicable Claim amount.

16 **2. Name and Address of Holder of Claim.**

17 For purposes of all distributions under the Plan, the Plan Distribution Trustee can rely on the
18 name and address of the holder of each Allowed Claim as shown on any timely filed proof of claim
19 and, if none, as shown on the Debtors' Schedules, except to the extent that the Plan Distribution
20 Trustee first receives adequate written notice of a change of address, properly executed by the
21 Holder or its authorized agent.

22 **3. Unclaimed Distribution.**

23 Any Unclaimed Distribution under the Plan shall be forfeited to the Plan Distribution Trust.
24 An Unclaimed Distribution is any Distribution made by the Plan Distribution Trustee to the address
25 of the recipient reflected in the Schedules (or on any Proof of Claim filed by the Claimant), by: (a)
26 checks which have been returned as undeliverable without a proper forwarding address; (b) checks
27 which were not mailed or delivered because of the absence of a proper address to which to mail or
28 deliver the same; (c) checks which have not been cashed for a period of ninety (90) days after the

1 date such checks were issued, or (d) disbursements that were not made because the Holder of such
2 Allowed Claim failed to provide required tax information within forty-five (45) days after the Plan
3 Distribution Trustee has sent any request for same to such Claimant's address as reflected in the
4 Schedules and/or such Claimant's Proof of Claim.

5 **4. De Minimus Cash Distributions.**

6 Notwithstanding anything to the contrary in the Plan, no Cash Distributions shall be made on
7 account of any Allowed Claim if the Cash Distribution amount is less than \$25.00. Holders of
8 Allowed Claims who would otherwise be entitled to a Distribution in the amount of less than \$25.00
9 shall receive no Distribution on account of such Allowed Claim because the value of such Allowed
10 Claim would be de minimus and the administrative costs associated with processing and mailing the
11 Distributions to the holder of such Allowed Claim would likely exceed the amount of the
12 Distribution.

13 **V. IRS CIRCULAR 230 NOTICE**

14 To ensure compliance with IRS Circular 230, holders of Claims and Interests are hereby
15 notified that; (i) any discussion of federal tax issues contained or referred to in this Disclosure
16 Statement is not intended or written to be used, and cannot be used, by holders of Claims or Interests
17 for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code;
18 (ii) such discussion is written in connection with the promotion or marketing by the Plan Proponents
19 of the transactions or matters addressed herein; and (iii) holders of Claims and Interests should seek
20 advice based on their particular circumstances from an independent tax advisor.

21 **VI. TAX CONSEQUENCES OF THE PLAN**

22 CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY
23 AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS,
24 ATTORNEYS, AND/OR ADVISORS. The Plan Proponents CANNOT and DO NOT represent that
25 the tax consequences contained below are the only tax consequences of the Plan because the Tax
26 Code embodies many complicated rules which make it difficult to state completely and accurately all
27 of the tax implications of any action.

28 The Debtors do not believe that there will be any significant tax consequences connected to

1 the Plan.

2 **VII. CONFIRMATION REQUIREMENTS AND PROCEDURES**

3 PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THE PLAN
4 SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON
5 CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following
6 discussion is intended solely for the purpose of alerting readers about basic confirmation issues,
7 which they may wish to consider, as well as certain deadlines for filing claims. The Plan Proponents
8 CANNOT and DO NOT represent that the discussion contained below is a complete summary of the
9 law on this topic.

10 Many requirements must be met before the Bankruptcy Court can confirm a plan. Some of
11 the requirements include that the plan must be proposed in good faith, the acceptance of the plan,
12 whether the Plan pays creditors at least as much as Creditors would receive in a Chapter 7
13 liquidation, and whether the Plan is feasible. These requirements are not the only requirements for
14 confirmation.

15 **A. Who May Vote or Object.**

16 Any party in interest may object to the confirmation of the Plan, but, as explained below, not
17 everyone is entitled to vote to accept or reject the Plan.

18 **B. Who May Vote to Accept/Reject the Plan**

19 A Creditor or Interest holder has a right to vote for or against the Plan if that Creditor or
20 Interest holder has a Claim or Interest which is both (1) allowed or allowed for voting purposes and
21 (2) classified in an impaired class.

22 **C. What Is an Allowed Claim/Interest**

23 As noted above, a Creditor or Interest holder must first have an allowed claim or interest to
24 have the right to vote. Generally, any proof of claim or interest will be allowed, unless a party in
25 interest files an objection to the claim or interest. When an objection to a claim or interest is filed,
26 the creditor or interest holder holding the claim or interest cannot vote unless the Bankruptcy Court,
27 after notice and hearing, either overrules the objection or allows the claim or interest for voting
28 purposes.

1 THE BAR DATE FOR FILING A PROOF OF CLAIM IN THIS CASE ON ACCOUNT OF
2 PRE-PETITION CLAIMS WAS DECEMBER 20, 2024. A creditor or interest holder may have an
3 allowed claim or interest even if a proof of claim or interest is not timely filed. A claim is deemed
4 allowed if (1) it is scheduled on the Debtors' Schedules and such claim is not scheduled as disputed,
5 contingent, or unliquidated, and (2) no party in interest has objected to the claim. An interest is
6 deemed allowed if it is scheduled and no party in interest has objected to the interest.

7 **D. What Is an Impaired Claim/Interest.**

8 As noted above, an allowed claim or interest has the right to vote only if it is in a class that is
9 impaired under the Plan. *See, e.g., In re Barakat*, 99 F.3d 1520 (9th Cir. 1996), *cert. denied*, 520 U.S.
10 1143 (1997) (a class that is not impaired is conclusively presumed to have accepted a chapter 11
11 plan). A class is impaired if the Plan alters the legal, equitable, or contractual rights of the members
12 of that class.

13 In these Cases, the Plan Proponents believe that members of Classes 2, 3, 4, 5, and 7 are
14 impaired. Parties who dispute the Plan Proponents' characterization of their claim or interest as
15 being impaired or unimpaired may file an objection to the Plan contending that the Plan Proponents
16 have incorrectly characterized impairment of any Class.

17 **E. Who Is Not Entitled to Vote.**

18 The following four types of claims are not entitled to vote: (1) claims that have been
19 disallowed; (2) claims in unimpaired classes; (3) claims entitled to priority pursuant to sections
20 507(a)(1), (a)(2), and (a)(8) of the Bankruptcy Code; and (4) claims in classes that do not receive or
21 retain any value under the Plan. Claims in unimpaired classes are not entitled to vote because such
22 classes are deemed to have accepted the Plan. Claims entitled to priority pursuant to sections
23 507(a)(1), (a)(2), and (a)(8) of the Bankruptcy Code are not entitled to vote because such claims are
24 not placed in classes and they are required to receive certain treatment specified by the Bankruptcy
25 Code. Claims in classes that do not receive or retain any value under the Plan do not vote because
26 such classes are deemed to have rejected the Plan. Accordingly, Classes 8 and 9 are not entitled to
27 vote. EVEN IF YOUR CLAIM IS OF THE TYPE DESCRIBED ABOVE, YOU MAY STILL
28 HAVE A RIGHT TO OBJECT TO THE CONFIRMATION OF THE PLAN.

1 **F. Who Can Vote in More Than One Class.**

2 A Creditor whose Claim has been allowed in part as a secured claim and in part as an
3 unsecured claim is entitled to accept or reject the Plan in both capacities by casting one ballot for the
4 secured part of the claim and another ballot for the unsecured claim. The Plan Proponents do not
5 believe that there are any Creditors who have a claim that is partially secured and partially
6 unsecured.

7 **G. Votes Necessary to Confirm the Plan.**

8 If impaired classes exist, the Bankruptcy Court cannot confirm the Plan unless (1) at least
9 one impaired class has accepted the Plan without counting the votes of any insiders within that class,
10 and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed
11 by "cramdown" on non-accepting classes, as discussed below.

12 **H. Votes Necessary for a Class to Accept the Plan.**

13 A class of claims is considered to have accepted the Plan when more than one-half (1/2) in
14 number and at least two-thirds (2/3) in dollar amount of the claims which actually voted on the plan,
15 voted in favor of the plan. A class of interests is considered to have "accepted" a plan when at least
16 two-thirds (2/3) in amount of the interest-holders of such class which actually voted on the plan,
17 voted to accept the plan.

18 **I. Treatment of Non-accepting Classes.**

19 As noted above, even if all impaired classes do not accept the Plan, the Bankruptcy Court
20 may nonetheless confirm the Plan if the non-accepting classes are treated in the manner required by
21 the Bankruptcy Code. The process by which non-accepting classes are forced to be bound by the
22 terms of a plan is commonly referred to as "cramdown." The Bankruptcy Code allows the Plan to be
23 "crammed down" on non-accepting classes of claims or interests if it meets all consensual
24 requirements except the voting requirements of § 1129(a)(8) and if the Plan does not "discriminate
25 unfairly" and is "fair and equitable" toward each impaired class that has not voted to accept the Plan
26 as referred to in § 1129(b) of the Bankruptcy Code and applicable case law.

27 **J. Request for Confirmation Despite Nonacceptance by Impaired Class(es).**

1 The Plan Proponents will request the Bankruptcy Court to confirm the Plan by cramdown on
2 impaired classes if such classes do not vote to accept the Plan.

3 **K. Liquidation Analysis.**

4 Another confirmation requirement is the “Best Interest Test,” which requires a liquidation
5 analysis. Under the Best Interest Test, if a claimant or interest holder is in an impaired class and that
6 claimant or interest holder does not vote to accept the Plan, then that claimant or interest holder must
7 receive or retain under the Plan property of a value that is not less than the amount that such holder
8 would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

9 In a Chapter 7 case, the debtor’s assets are usually sold by a Chapter 7 trustee. Secured
10 creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien.
11 Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales
12 proceeds, according to their rights to priority. Unsecured creditors with the same priority share in
13 proportion to the amount of their allowed claim in relationship to the amount of total allowed
14 unsecured claims. Finally, interest holders receive the balance that remains after all creditors are
15 paid, if any.

16 For the Bankruptcy Court to be able to confirm the Plan, the Bankruptcy Court must find that
17 all creditors and interest holders who do not accept the Plan will receive at least as much under the
18 Plan as such holders would receive under a Chapter 7 liquidation of the Debtors. The Debtors
19 maintain that this requirement is clearly met as all allowed claims will be paid in full under the Plan.

20 The Debtors’ liquidation analysis (“Liquidation Analysis”), attached hereto as **Exhibit B**,
21 was prepared on a consolidated basis. As set forth on Exhibit B, creditors will also recover 100%
22 under a chapter 7 liquidation and the distribution to equity is estimated at between \$5.78 million and
23 \$7.87 million.

24 In a chapter 7 case, a chapter 7 trustee would be required to replace the professionals
25 currently employed by the Debtors’ Estates with new professionals, which would burden the Estates
26 with additional substantial fees as the trustee and his/her professionals would need to familiarize
27 themselves with these cases, and the Estates would bear the significant financial burden of their
28 learning curve. These additional expenses are avoided through the confirmation of the Plan.

1 The Liquidation Analysis depends on several estimates and assumptions as also set forth on
2 Exhibit B. The Liquidation Analysis is based on the Debtors' best judgment of how numerous
3 decisions in the liquidation process would be resolved. Accordingly, there can be no assurance that
4 the values reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to
5 undergo such liquidation, and actual results could vary materially and adversely from those
6 contained in the Liquidation Analysis.

7 In preparing the Liquidation Analysis, the Debtors have preliminarily estimated an amount of
8 Allowed Claims for each indicated type of Claim. Additional Claims were estimated to include
9 certain Chapter 7 administrative obligations incurred after the conversion date. The estimate of all
10 allowed claims in the Liquidation Analysis is based on the scheduled and filed claim values and
11 several illustrative placeholders. No order or finding has been entered or made by the Bankruptcy
12 Court estimating or otherwise fixing the amount of Claims at the projected amounts of Allowed
13 Claims set forth in the Liquidation Analysis. The estimate of the amount of Allowed Claims set
14 forth in the Liquidation Analysis should not be relied upon for any other purpose, including, without
15 limitation, any determination of the value of any distribution to be made on account of Allowed
16 Claims under the Plan. The actual amount of Allowed Claims could be materially different from the
17 amount of Claims estimated in the Liquidation Analysis.

18 **% OF THEIR CLAIMS WHICH GENERAL UNSECURED CREDITORS WOULD
19 RECEIVE OR RETAIN IN A CHAPTER 7 LIQUIDATION: = 100%**

20 **% OF THEIR CLAIMS WHICH GENERAL UNSECURED CREDITORS ARE
21 ESTIMATED TO RECEIVE OR RETAIN UNDER THE PLAN: = 100%**

22 **L. Feasibility.**

23 Another requirement for confirmation involves the feasibility of the Plan, which means that
24 confirmation of the Plan is not likely to be followed by the liquidation, or the need for further
25 financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such
26 liquidation or reorganization is proposed in the Plan.

27 There are at least two important aspects of a feasibility analysis. The first aspect considers
28 whether the Debtors will have enough cash on hand on the Effective Date to pay all the claims and

1 expenses which are entitled to be paid on such date. The Debtors are proposing to pay all Allowed
2 Claims in full within fourteen days of the Effective Date from their cash on hand, which is
3 \$23,537,132.20 as of September 4, 2025, and which they estimate they will have at least \$20.5
4 million as of the Effective Date. Such proceeds will be utilized as follows:

Administrative Professional (Estimated)	\$5,500,000
Administrative Taxes (Estimated)	\$200,000
503(b)(9) Claims	\$110,000
Lease/Contract Cures	\$0
Priority Wage Claims	\$10,000
Priority Tax Claims (Estimated)	\$200,000
General Unsecured Claims (Estimated)	\$6,500,000
<u>Interest (on GUC)</u>	<u>\$750,000</u>
Total	\$13,270,000

10 Based on the foregoing, the Debtors will have more than sufficient funds to make all required
11 Effective Date payments and will contribute \$13.5 million to the Plan Distribution Trust on the
12 Effective Date. Any remaining amounts after the payment of all allowed claims will revert to the
13 Reorganized Debtors. The above chart illustrates all of the types of claims that will be paid by the
14 Plan Distribution Trust. For the avoidance of doubt, the Reorganized Debtors will pay any allowed
15 claim by the IRS, any allowed claim of EWB, ongoing UST quarterly fees and ordinary course
16 administrative expenses (and these expenses are not the responsibility of the Plan Distribution
17 Trust).

18 The second aspect considers whether the Reorganized Debtors will have enough cash over
19 the life of the Plan to make the required Plan payments. This prong is inapplicable as the Debtors
20 will be placing sufficient funds in the Plan Distribution Trust to cover all payments due under the
21 Plan.

22 **VIII. EFFECT OF CONFIRMATION OF THE PLAN**

23 **A. Discharge.**

24 On the Effective Date, the Debtors will receive a discharge under the Plan pursuant to and in
25 accordance with the provisions of § 1141 of the Bankruptcy Code because the Plan does not provide
26 for a liquidation of all or substantially all of the property of the Debtors' Estates and the Debtors will
27 engage in business after consummation of the Plan. Pursuant to § 1141(d)(1)(A), confirmation of
28

1 the Plan will discharge “the debtor[s] from any debt that arose before the date of such confirmation,
2 and any debt of a kind specified in section 502(g), 502(h), or 502(i) of this title, whether or not – (i)
3 a proof of claim based on such debt is filed or deemed filed under section 501 of this title; (ii) such
4 claim is allowed under section 502 of this title; or (iii) the holder of such claim has accepted the plan
5 ...”. 11 U.S.C. §§ 1141(d)(1)(A)(i), (ii) and (iii). **In other words, Confirmation of the Plan will**
6 **effectuate a discharge as to all debts or liabilities, whether contingent, unliquidated, disputed,**
7 **known or unknown, that were incurred or arose before Confirmation of the Plan.** This
8 includes all types of Claims and obligations arising out of and/or including, but not limited to, (i) all
9 causes of action under state and Federal law (e.g., breach of contract, breach of fiduciary duty, false
10 advertising, etc.), (ii) trade payables, (iii) landlord claims, (iv) tax Claims including interest, (v)
11 environmental claims, (vi) employee related claims and (vii) any other known or unknown Claim
12 from any debt arising prior to Plan Confirmation.

13 **The Plan shall bind the holders of all Claims whether or not they vote to accept the**
14 **Plan. The rights afforded in the Plan and the treatment of all Claims therein shall be in**
15 **complete satisfaction, discharge and release of all Claims against the Debtors or their Assets of**
16 **any nature whatsoever except as otherwise specifically provided in the Plan. Except as set**
17 **forth in the Plan, all Claims shall be forever satisfied, discharged and released in full on the**
18 **Effective Date, and all holders of Claims shall be forever precluded and enjoined from**
19 **asserting Claims against the Reorganized Debtors. Any litigation pending prepetition and/or**
20 **initiated postpetition in any court other than the Bankruptcy Court where relief from stay was**
21 **not obtained from the Bankruptcy Court shall be deemed discharged upon Plan Confirmation**
22 **and the occurrence of the Effective Date.**

23 **B. Continuing Stay/Injunction.**

24 The automatic stay is lifted upon the Effective Date as to property of the Estates. However,
25 the stay continues to prohibit collection or enforcement of prepetition Claims against the
26 Reorganized Debtors or the Plan Distribution Trust’s property until the earlier of the date: (1) the
27 Debtors’ bankruptcy Cases are closed, or (2) the Debtors’ bankruptcy Cases are dismissed.
28 Therefore, all parties bound by the Plan shall take no action with respect to, and are enjoined from,

1 collecting or enforcing their prepetition Claims against the Reorganized Debtors and the Plan
2 Distribution Trustee as set forth herein, and as otherwise provided by operation of law, until the
3 earlier of the date that (1) the Debtors' bankruptcy Cases are closed, or (2) the Debtors' bankruptcy
4 Cases are dismissed.

5 **The Confirmation Order shall enjoin the prosecution, whether directly, derivatively or**
6 **otherwise, of any Claim, obligation, suit, judgment, damage, demand, debt, right, cause of**
7 **action, liability or interest released, discharged or terminated pursuant to the Plan.**

8 Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all
9 entities that have held, currently hold or may hold a Claim or other debt or liability that is discharged
10 or an interest or other right of an equity holder that is impaired pursuant to the terms of the Plan are
11 permanently enjoined from taking any of the following actions against the Debtors, the Debtors'
12 Estates, the Reorganized Debtors or their property on account of any such discharged Claims, debts
13 or liabilities or terminated interests or rights: (i) commencing or continuing, in any manner or in any
14 place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any
15 manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or
16 encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any
17 debt, liability or obligation due to the Debtors; and (v) commencing or continuing any action in any
18 manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.

19 **By accepting distribution pursuant to the Plan, each holder of an Allowed Claim**
20 **receiving a Distribution pursuant to the Plan will be deemed to have specifically consented to**
21 **the injunctions set forth in this Section.**

22 **C. Modification of the Plan.**

23 The Plan Proponents may modify the Plan at any time before confirmation. However, the
24 Bankruptcy Court may require a new disclosure statement and/or re-voting on the Plan if the Debtors
25 modify the Plan before confirmation. The Debtors, the Reorganized Debtors or the Plan Distribution
26 Trustee, as the case may be, may also seek to modify the Plan at any time after Confirmation of the
27 Plan so long as (1) the Plan has not been substantially consummated, and (2) the Bankruptcy Court
28 authorizes the proposed modifications after notice and a hearing.

1 **D. Post-Confirmation Status Reports.**

2 Until final decrees closing the Debtors' Cases are entered, the Reorganized Debtors shall file
3 regular status reports if so ordered by the Bankruptcy Court.

4 **E. United States Trustee Reporting Obligations and Fees.**

5 Within five (5) business days of the Effective Date, the Reorganized Debtors shall file a
6 notice of the Plan's Effective Date. Following the Effective Date of the Plan, the Reorganized
7 Debtors and the Plan Distribution Trustee shall each file a quarterly Post-confirmation Report, UST
8 Form 11-PCR ("PCR"), and be obligated to pay a quarterly fee pursuant to 28 U.S.C. § 1930(a)(6)
9 for each calendar quarter, or portion thereof, until one of the following occurs: (1) the date of the
10 final decree; (2) the conversion of the case to a case under another chapter; or (3) the dismissal of the
11 case. If any order has been entered on the docket that vacates any of the above orders or reopens the
12 case for a reason other than that which is purely administrative the filing of the PCRs shall be
13 resumed, and quarterly fees shall start to accrue.

14 **F. Post-Confirmation Conversion/Dismissal – Local Bankruptcy Rule 3020-1(e).**

15 A Creditor or any other party in interest may bring a motion to convert or dismiss the Cases
16 under § 1112(b) of the Bankruptcy Code after the Plan is confirmed if there is a default in
17 performing the Plan. If the Bankruptcy Court orders the Cases converted to chapter 7 after the Plan
18 is confirmed, then all property that had been property of the chapter 11 Estates, and that has not been
19 disbursed pursuant to the Plan, will revest in the respective chapter 7 estate, and the automatic stay
20 will be re-imposed upon the revested property, but only to the extent that relief from stay was not
21 previously authorized by the Bankruptcy Court during these Cases. The Plan Confirmation Order
22 may also be revoked under very limited circumstances. The Bankruptcy Court may revoke the Plan
23 Confirmation Order if it was procured by fraud and if a party in interest brings an adversary
24 proceeding to revoke confirmation within 180 days after the entry of the Plan Confirmation Order.

25 **G. Final Decree.**

26 Once the estates have been fully administered as referred to in Bankruptcy Rule 3022, the
27 Reorganized Debtors shall file a motion with the Bankruptcy Court to obtain a final decree to close
28

1 these cases. The Reorganized Debtors shall be responsible for the timely payment of all fees
2 incurred pursuant to 28 U.S.C. § 1930(a)(6).

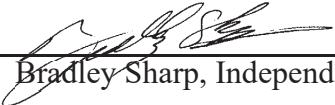
3 DATED: September 10, 2025

IN Holdings, Inc., a Nevada Corporation

4
5 By: 
6 Klee Irwin, Chief Executive Officer

7 DATED: September 10, 2025

IN Holdings, Inc., a Nevada Corporation

8
9 By: 
10 Bradley Sharp, Independent Director

11 DATED: September 10, 2025

IN Holdings Canada, Inc., a British Columbia
12 Corporation

13
14 By: 
15 Klee Irwin, Chief Executive Officer

16 DATED: September 10, 2025

5310 Holdings, LLC

17
18 By: 
19 Klee Irwin, as CEO of IN Holdings, Inc., a
20 Nevada corporation, Managing Member of 5310
21 Holdings, LLC

22 DATED: September 10, 2025

DAI US HoldCo Inc.,

23
24 By: 
25 Klee Irwin, Chief Executive Officer

26 Submitted By:

27 BG Law LLP

28 By: /s/ Susan K. Seflin
29 Susan K. Seflin
30 Attorneys for Chapter 11 Debtors
31 and Co-Plan Proponents

32 [Signatures Continued on Next Page]

Submitted By:

1 Golden Goodrich

2 By:

3 Jeffrey I. Golden

4 Attorneys for Official Committee of
5 Unsecured Creditors and Co-Plan
Proponents

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EXHIBIT A

Claim No	Claim Date Filed	Creditor	Claim Amount	Sch Sec Amt	Sch Pri Amt	Sch Uns Amt	Admin Amt	503b9 Amt	Se Amt	Pri Amt	Uns Amt	Filed Case	CUD	Treatment Notes	Est Claim Amt	
		1010Data Services LLC		-	-	6,000										6,000
C323-73	01/17/2025	2DG Solutions LLC	4,517									4,517	24-11323			4,517
		A360		-	-	117,450								D	Duplicate/Superseded	-
C323-6	08/15/2024	A360 Media, LLC	117,450									117,450	24-11323			117,450
		Acosta Inc				34,995										34,995
C323-32	12/09/2024	Adam Roth	1,200									1,200	24-11323			1,200
C323-5	10/16/2024	ADP Inc	20									20	24-11323			20
		Advantage Sales & Marketing		-	-	258										258
		Ahold Financial Services		-	-	3,874										3,874
C323-79	02/07/2025	Airespring, Inc.	4,262									4,262	24-11323			4,262
C323-44	12/16/2024	Alison Marie Cervelli	1,240	-	1,240	-					1,240		24-11323			1,240
C323-31	12/06/2024	Alive Publishing Group Inc.	42,974									42,974	24-11323			42,974
		American Associated Pharmacies				382										382
		American Express				57,480									Duplicate/Superseded	-
C323-20	10/04/2024	American Express National Bank	83,534									83,534	24-11323			83,534
C323-62	12/20/2024	s	105,374									105,374	24-11323		ECF 763 - Objection	-
		Amware Fulfillment LLC				95,584										95,584
		Apg Inc				24,600										24,600
C323-10	08/15/2024	Arcbest, Inc	45,652									45,652	24-11323		Proposed Objection	-
		Argo Partners		-	-	6,263									Buyer Assumed	-
		Argo Partners				5,309									Duplicate/Superseded	-
		Argo Partners		-	-	4,053									Buyer Assumed	-
C323-47	12/18/2024	Argo Partners	80,500									80,500	24-11323	D	Proposed Objection	80,500
		Armanino LLP				539,288									ECF 751 - Stipulation	269,644
C323-4	09/03/2024	Aston Carter, Inc	3,505									3,505	24-11323			3,505
C323-83	07/15/2025		170									170	24-11323		Proposed Objection	-
		Ballard Spahr LLP		-	-	152,014								D	Duplicate/Superseded	-
C323-48	12/18/2024	Ballard Spahr LLP	158,814									158,814	24-11323		Proposed Objection	-
		Berg Marketing Group		-	-	10,432										10,432
		Best One Consulting Group				656										656
C323-63	12/20/2024	Bird Marella	9,516									9,516	24-11323			9,516
		Brex Inc				210										210
		Broadridge				418										418
C323-11	08/23/2024	Buchalter, A Professional Corporation	4,494									4,494	24-11323			4,494
		CA Dept of Tax & Fee Administration		-	2,697	-										2,697
		California Dept of Tax & Fee Administration (CDTFA)			-	-										-
		California Dept of Tax & Fee Administration (CDTFA)		-	-											-
		California Dept of Tax & Fee Administration (CDTFA)		-	-											-
		California Dept of Tax & Fee Administration (CDTFA)		-	-											-
		Call & Jensen				1,656										1,656
		Canada Revenue Agency		-	15,150	2,288										17,438
		Canada Revenue Agency			-	-										-
		Canadian Analytical Lab				4,449										4,449
		Captek Softgels International Inc				41,461										41,461
		Cdz Sales Inc		-	-	363									Buyer Assumed	-
C324-42	12/12/2024	Centri Business Consulting	50,301									50,301	24-11324			50,301
		Certified Laboratories				665										665
		Circana				3,905										3,905
		Circana LLC				15,870										15,870
		City of Los Angeles Tax Collector			-	-										-
		City of Los Angeles Tax Collector			-	-										-
		City of Los Angeles Tax Collector			-	-										-

Claim No	Claim Date Filed	Creditor	Claim Amount	Sch Sec Amt	Sch Pri Amt	Sch Uns Amt	Admin Amt	503b9 Amt	Se Amt	Pri Amt	Uns Amt	Filed Case	CUD	Treatment Notes	Est Claim Amt	
		City of Los Angeles Tax Collector			-	-									-	
		Clark Hill				22,949								Duplicate/Superseded	-	
C323-36	12/10/2024	Clark Hill PLC	51,036									51,036	24-11323	Proposed Objection	-	
C324-37	12/10/2024	Clark Hill PLC	51,036			41,639						51,036	24-11324		51,036	
		Cnb Commercial Visa Card				15									15	
		Coast 3PI			-	-	-								-	
		Coast Warehouse			-	-	-								-	
		Colorado Dept of Revenue			-	-	-								-	
		Colorado Dept of Revenue			-	-	-								-	
		Colorado Dept of Revenue			-	-	-								-	
		Colorado Dept of Revenue			-	-	-								-	
		Colorado Dept of Revenue			-	-	-								-	
		Commerce Bank				1,450									1,450	
		Connected Cfo LLC				1,500									1,500	
		Conohan			-	-							CUD		-	
		Copperpoint Insurance Co				10,948									10,948	
		CR3 Partners LLC			-	-	39,321						D	Duplicate/Superseded	-	
C323-58	12/20/2024	CR3 Partners, LLC										-	24-11323	CU		
		Creative Sales & Marketing			-	-	11,954							Buyer Assumed	-	
		Cse Canadian Securities Exchange					4,695							Duplicate/Superseded	-	
C324-24	11/19/2024	CSE Canadian Securities Exchange	16,187									16,187	24-11324		16,187	
C323-1	09/01/2024	Dawn Patrol Inc dba Full Stream Group	103,734			72,389						103,734	24-11323	Proposed Objection	72,389	
C323-41	12/11/2024	Dennis Diaz	528,138									528,138	24-11323	ECF 749 - Objection	-	
C323-50	12/18/2024	Dennis Diaz	7,500									7,500	24-11323	ECF 763 - Objection	-	
C323-22	11/06/2024	Department of Treasury - Internal Revenue Se	1,195,518									1,195,518	24-11323	Duplicate/Superseded	-	
C326-7	09/16/2024	Department of Treasury - Internal Revenue Se	1,009,151	-	-	-						803,185	205,966	24-11326	Duplicate/Superseded	-
C323-70	01/06/2025	Department of Treasury - Internal Revenue Se	581,704				581,704							24-11323	Proposed Objection	-
C323-13	09/20/2024	Department of Treasury - Internal Revenue Se	511,072									511,072	24-11323	Duplicate/Superseded	-	
C323-69	01/06/2025	Department of Treasury - Internal Revenue Se	976,934									976,934	24-11323	Proposed Objection	-	
C326-71	01/06/2025	Department of Treasury - Internal Revenue Se	633,972									428,005	205,966	24-11326	Proposed Objection	-
C326-72	01/06/2025	Department of Treasury - Internal Revenue Se	221,477				221,477							24-11326	Proposed Objection	-
		Digital Media Innovations			-	-	11,708						D		11,708	
		Digital Media Innovations, LLC					11,367								11,367	
		Direct Sales & Marketing			-	-	1,429								1,429	
C323-80	03/17/2025	Divergeit, Inc.	1,190									1,190	24-11323		1,190	
C324-82	05/07/2025	Don Gist											24-11324	U	-	
		Dsv Air & Sea					1,427								1,427	
		Dsv Road Inc					9,502								9,502	
		Dsv Solutions Inc					22,546								22,546	
		East West Bank			-	-	-						UD		-	
		East West Bank			-	-	-						UD		-	
		East West Bank			-	-	-						UD		-	
		East West Bank			-	-	-						UD		-	
		East West Bank, as agent			-	-	-						UD		-	
		East West Bank, as agent			-	-	-						UD		-	
		East West Bank, as agent			-	-	-						UD		-	
		East West Bank, as agent			-	-	-						UD		-	
		East West Bank, as agent			-	-	-						UD		-	
		East West Bank, as agent			-	-	-						UD		-	
C324-52	12/19/2024	East West Bank, As Agent, And For Lenders	19,381,508	18,651,960	-	-			19,381,508			24-11324		Duplicate/Superseded	-	
C325-54	12/19/2024	East West Bank, As Agent, And For Lenders	19,381,508	18,651,960	-	-			19,381,508			24-11325		Duplicate/Superseded	-	

Claim No	Claim Date Filed	Creditor	Claim Amount	Sch Sec Amt	Sch Pri Amt	Sch Uns Amt	Admin Amt	503b9 Amt	Se Amt	Pri Amt	Uns Amt	Filed Case	CUD	Treatment Notes	Est Claim Amt		
C326-55	12/19/2024	East West Bank, As Agent, And For Lenders	19,381,508	18,651,960	-	-			19,381,508			24-11326		Duplicate/Superseded	-		
C323-57	12/19/2024	East West Bank, As Agent, And Lenders	19,381,508	18,651,960		-			19,381,508			24-11323		Duplicate/Superseded	-		
		EMA Anesthesia			-	36,400							D		36,400		
C324-68	12/26/2024	Emerge Law Group P.C.	1,665									1,665	24-11324		1,665		
		Employment Development Dept			-	-									-		
		Employment Development Dept			-	-									-		
		Employment Development Dept			-	-									-		
		Employment Development Dept			-	-									-		
C323-15	10/20/2024	Eric S Reskin		-								-	24-11323	U	Proposed Objection	-	
		Expertvoice				8,986									8,986		
		Fedex				22,144									22,144		
		Feel Rite Natural Food Shoppes, Inc				580									580		
C323-65	12/23/2024	Feldkamp Marketing, Inc.	15,496	-	-	12,416						15,496	24-11323		15,496		
C323-46	12/17/2024	FitLife Brands, Inc.	7,498									7,498	24-11323		7,498		
C323-76	02/03/2025	Franchise Tax Board	98,210									98,210	24-11323		Proposed Objection	1,000	
C326-77	02/03/2025	Franchise Tax Board	26,395									26,395	24-11326		Proposed Objection	1,000	
C325-74	01/23/2025	Franchise Tax Board	2,855									2,568	286	24-11325		Proposed Objection	1,000
		Franchise Tax Board			-	-										-	
		Franchise Tax Board			-	-										-	
		Franchise Tax Board			-	-										-	
C323-18	08/30/2024	Frontline Marketing	34,995									34,995	24-11323		Proposed Objection	-	
		Generation Iacp Inc				58,280									Duplicate/Superseded	-	
C323-56	12/18/2024	Generation IACP Inc.	84,725									84,725	24-11323		Proposed Objection	58,279	
C323-12	10/19/2024	Gordon Investigative Group LLC	55,000									55,000	24-11323		ECF 763 - Objection	-	
		Gowling Wlg (Canada) LP				2,730										2,730	
		Guise		-	-	2,425									Buyer Assumed	-	
		Healthy Life Market		-	-	1,104										1,104	
		Herb Shop li				420										420	
		Herman Reese		-	-	-								CUD		-	
C323-61	12/20/2024	Ibotta, Inc.	8,659			7,099						8,659	24-11323			8,659	
		Illinois Dept of Revenue			-	-										-	
		Illinois Dept of Revenue			-	-										-	
		Illinois Dept of Revenue			-	-										-	
		Informa Media				28,452										28,452	
		Information Resources Inc				138,568										138,568	
		Inmar Brand Solutions Inc				96,493										96,493	
		Inmar Promotions-Canada Inc				1,113										1,113	
		Inmar-Oiq LLC				10,000										10,000	
		Integral Wealth Securities				36,741										36,741	
		Interwest Brokerage, Inc		-	-	2,053									Buyer Assumed	-	
		Jk Sales		-	-	2,460									Buyer Assumed	-	
C323-3	10/16/2024	Johnson & Bertram LLP	5,531			5,531						5,531	24-11323			5,531	
C323-23	11/12/2024	JP Orlando LLC	1,141									877	263	24-11323		ECF 763 - Objection	-
		Jwp Sales		-	-	1,991									Buyer Assumed	-	
		K1 Packaging Group				94,942										94,942	
C323-49	12/18/2024	Karled Enterprises I	1,157,780	-	-	1,137,383						1,157,780	24-11323	U	Proposed Objection	991,530	
		Kimberly A Boodjeh		-	627	-										627	
C323-64	12/20/2024	Klee Irwin	1,035,682									1,035,682	24-11323		Insider	1,035,682	
		KSE Sportsman Media		-	-	11,156								D	Duplicate/Superseded	-	
C323-27	11/15/2024	KSE Sportsman Media, Inc.	11,156									11,156	24-11323		Proposed Objection	11,156	
		Landsberg				19,022										19,022	

Claim No	Claim Date Filed	Creditor	Claim Amount	Sch Sec Amt	Sch Pri Amt	Sch Uns Amt	Admin Amt	503b9 Amt	Se Amt	Pri Amt	Uns Amt	Filed Case	CUD	Treatment Notes	Est Claim Amt			
		Los Angeles County Treasurer & Tax Collector			-	-									-			
		Los Angeles County Treasurer & Tax Collector			-	-									-			
		Los Angeles County Treasurer & Tax Collector			-	-									-			
		Los Angeles County Treasurer & Tax Collector			-	-									-			
		Louis F Leeper Co			-	-	1,459							Buyer Assumed	-			
C323-59	12/20/2024	Marcus Kelley	14,375									14,375	24-11323	ECF 763 - Objection	-			
C323-34	12/10/2024	Mario Quintero	31,257									31,257	24-11323	Proposed Objection	-			
C323-81	03/27/2025	Mark Green	1,000,000									1,000,000	24-11323	C	Proposed Objection	-		
		Mark Judkins Consulting Co				7,498									Duplicate/Superseded	-		
		Mark Salamon			-	4,125	-								Duplicate/Superseded	-		
C323-30	11/22/2024	Mark Salamon	4,125									4,125	24-11323		4,125			
C323-28	11/20/2024	Marlin Leasing Corporation	19,382									19,382	24-11323	Proposed Objection	-			
C326-2	08/12/2024	Massachusetts Department Of Revenue	1,452		-	-	-				1,397	55	24-11326		1,452			
		Media Brokers Int'l			-	-	415,423							D	Duplicate/Superseded	189,318		
		Media Max Network, LLC			-	-	63,526							D	Duplicate/Superseded	-		
C324-17	09/23/2024	Michael Goldberg, As Plan Administrator For 2	63,634									63,634	24-11324		63,634			
C326-78	02/05/2025	Michigan Department Of Treasury	5,879									5,129	750	24-11326		5,879		
		Michigan Dept of Treasury				-	-								-			
		Michigan Dept of Treasury				-	-								-			
		Michigan Dept of Treasury				-	-								-			
		Michigan Dept of Treasury				-	-								-			
		Michigan Dept of Treasury				-	-								-			
		Michigan Dept of Treasury				-	-								-			
C323-39	12/11/2024	Miguel Tomas	528,138									528,138	24-11323	ECF 749 - Objection	-			
		Mike Sullivan Sales Co			-	-	116								116			
C323-51	12/18/2024	Mike Tomas	7,500									7,500	24-11323	ECF 763 - Objection	-			
C323-19	10/02/2024	Mittenthal & Associates/P&GB, Inc	19,016		-	-	3,116					15,150	3,866	24-11323	Buyer Assumed	-		
		Mnp LLP					124,458								Duplicate/Superseded	-		
C323-26	11/18/2024	MNP LLP	194,634									194,634	24-11323	Proposed Objection	124,457			
		Mr. Smart Technology Solutions					1,114								Buyer Assumed	-		
		Nevada Dept of Taxation				-	-								-			
		Nevada Dept of Taxation				-	-								-			
		Nevada Dept of Taxation				-	-								-			
		Nevada Dept of Taxation				-	-								-			
		Nsf International					5,260								Buyer Assumed	-		
		Nuborn Express Inc					29,672								Duplicate/Superseded	-		
C323-14	08/23/2024	Nuborn Express Inc	28,684									28,684	24-11323	Proposed Objection	-			
C323-25	11/15/2024	Nu-Born Express, Inc	28,684									28,684	24-11323		28,684			
		Oc & C Strategy Consultants					300,000								300,000			
		Omega Sales			-	-	3,069								Duplicate/Superseded	-		
C323-33	12/09/2024	Omega Sales & Marketing	5,447									5,447	24-11323	Buyer Assumed	5,447			
C323-43	12/16/2024	Oregon Department Of Revenue	4,323									3,126	1,197	24-11323	Duplicate/Superseded	-		
C323-75	01/27/2025	Oregon Department Of Revenue	10,943									7,557	3,386	24-11323		10,943		
		Oregon Dept of Revenue				-	-								-			
		Oregon Dept of Revenue				-	-								-			
		Oregon Dept of Revenue				-	-								-			
		Paragon Laboratories					171,404								Duplicate/Superseded	-		
C323-21	11/06/2024	Paragon Laboratories	171,404									108,733		62,671	24-11323		171,404	
		Partner's Delivery Inc										2,447				2,447		
		Peco Pallet Inc										12,075				12,075		
		Precision Sales & Marketing			-	-	1,919									1,919		
		Pure Green Corp										145					145	

Claim No	Claim Date Filed	Creditor	Claim Amount	Sch Sec Amt	Sch Pri Amt	Sch Uns Amt	Admin Amt	503b9 Amt	Se Amt	Pri Amt	Uns Amt	Filed Case	CUD	Treatment Notes	Est Claim Amt		
		Pushor Mitchell LLP				3,185										3,185	
		Quotient				16,700										16,700	
		Rakuten Marketing LLC				490										490	
C323-40	12/11/2024	Raul Cruz	528,138									528,138	24-11323		ECF 749 - Objection	-	
C323-53	12/18/2024	Raul Cruz	7,500									7,500	24-11323		ECF 763 - Objection	-	
C323-8	10/19/2024	Reskin CPAs PSC	35,000									35,000	24-11323		ECF 763 - Objection	-	
C323-9	10/19/2024	Reskin CPAs PSC	32,000									32,000	24-11323		ECF 763 - Objection	-	
		Resources Wholesale, Inc			-	68										68	
		Retail Business Solutions, Inc			-	24,773									Buyer Assumed	-	
		Robinson Pharma			-	-										-	
		Rod Kight				27,714									Duplicate/Superseded	-	
C323-16	08/27/2024	Rodney Kight	26,250									26,250	24-11323			26,250	
		Rpm Group			-	-	23,654									23,654	
		Rsm US LLP				157,500										157,500	
		Rust Logistics				900										900	
		Save Naturally Inc				73										73	
		Select Staffing				2,776										2,776	
		Shankman & Associates, Inc			-	-	177								Buyer Assumed	-	
		Sheri Orlowitz				26,283										26,283	
		Silvertip LLC				36,935									Duplicate/Superseded	-	
C323-29	11/20/2024	Silvertip LLC	42,621									42,621	24-11323			42,621	
		Smyth Publishing Services, Inc.			-	-	17,000							D		17,000	
		Socalgas				29										29	
		Southeastern Grocers				2,500										2,500	
		Specialized Marketing Intl			-	-	1,635								Buyer Assumed	-	
C323-45	12/17/2024	Spectrum	5,187									5,187	24-11323			Buyer Assumed	-
		Spins LLC				25,000									Buyer Assumed	-	
		Sps Commerce Inc				7,640									Buyer Assumed	-	
C323-60	12/19/2024	Staci Americas LLC	135,231									135,231	24-11323	U	Proposed Objection	76,235	
		Star Sales & Marketing			-	-	556									556	
		State of Washington Dor			-	908	-									908	
C323-66	12/19/2024	Stites & Harbison, PLLC	51,069									51,069	24-11323			51,069	
		Sunshine Fym			-	-	100									100	
		Telus Agriculture & Consumer Goods (US) Inc				16,488										16,488	
		The Renew Co LLC				10,892										10,892	
		The Swanson Group			-	-	93,900								Buyer Assumed	-	
		Tls Transportation Inc			-	-	-									-	
		Tls Transportation Inc (3PI)			-	-	-									-	
		Tmz			-	-	101								Buyer Assumed	-	
		TRC Master Fund LLC				36,600									Duplicate/Superseded	-	
		TRC Master Fund LLC			-	-	17,337								Buyer Assumed	-	
		TRC Master Fund LLC				62,767										62,767	
C323-35	12/10/2024	TRC Master Fund LLC	36,600									36,600	24-11323			36,600	
		TRC Master Fund LLC				27,340										27,340	
		Trisha Vaughn			-	-	-							CUD		-	
		Trustpilot, Inc				3,000										3,000	
		Venable LLP				2,310									Duplicate/Superseded	-	
C323-67	12/26/2024	Venable LLP	4,964									4,964	24-11323			4,964	
		Virginia Dept of Taxation				-	-									-	
		Virginia Dept of Taxation				-	-									-	
		Virginia Dept of Taxation				-	-									-	
		West Bloomfield Market LLC				400										400	

Claim No	Claim Date Filed	Creditor	Claim Amount	Sch Sec Amt	Sch Pri Amt	Sch Uns Amt	Admin Amt	503b9 Amt	Se Amt	Pri Amt	Uns Amt	Filed Case	CUD	Treatment Notes	Est Claim Amt
		Wilson Elser				468									468
C323-38	12/11/2024	Yieldify US	3,250								3,250	24-11323		Proposed Objection	-
		Zapp Packaging Inc				94,240									94,240

EXHIBIT B

Irwin Naturals (Consolidated Debtors)

Chapter 11 Plan : Best Interest Test

Note: All amounts are preliminary estimates and subject to further analysis & court approval

Chapter 7 Liquidation Analysis (\$000s)		Claims / Asset Book Value				Recovery Scenario							
Recovery Scenario	Notes	High		Low		High (\$)		Low (\$)		High (%)		Low (%)	
<u>Sources of Recovery</u>													
(+) Cash on Hand	1	\$ 20,495	\$ 20,495	\$ 20,495	\$ 20,495	\$ 20,495	\$ 20,495	\$ 20,495	\$ 20,495	100.0%	100.0%	100.0%	100.0%
(+) Insider Notes Receivable	2	4,143	4,143	NA	NA	NA	NA	NA	NA	—	—	—	—
(+) Other Remnant Assets	3	200	—	200	—	200	—	200	—	100.0%	100.0%	100.0%	100.0%
(+) Other Litigation Assets	4	TBD	TBD	NA	NA	NA	NA	NA	NA	—	—	—	—
Estimated Distributable Value		\$ 20,695		\$ 20,495									
<u>Chapter 7 Wind-Down Claims & Expenses</u>													
(-) Ch. 7 Trustee Fees	5					621		615		3.0%		3.0%	
(-) Ch. 7 Trustee Professional Fees	6					250		500		1.2%		2.4%	
(-) Wind-Down Expenses (Professionals)	7					100		200		0.5%		1.0%	
(-) Wind-Down Expenses (Company)	8					100		200		0.5%		1.0%	
Distributable Value -- Secured Claims		\$ 19,624		\$ 18,980									
<u>Secured Claims</u>													
(-) Secured Claims	9	300	500	300	500	300	500	300	500	100.0%	100.0%	100.0%	100.0%
Distributable Value -- Chpt. 11 Admin Claims		\$ 19,324		\$ 18,480									
<u>Chapter 11 Administrative Claims</u>													
(-) Accrued & Unpaid Professional Fees	10	5,007	5,507	5,007	5,507	5,007	5,507	5,007	5,507	100.0%	100.0%	100.0%	100.0%
(-) Post-Petition Taxes Payable	11	100	200	100	200	100	200	100	200	100.0%	100.0%	100.0%	100.0%
(-) 503(b)(9) Claims	12	109	109	109	109	109	109	109	109	100.0%	100.0%	100.0%	100.0%
(-) Estimated UST Fees Outstanding	13	75	100	75	100	75	100	75	100	100.0%	100.0%	100.0%	100.0%
(-) Administrative Trade Claims	14	25	50	25	50	25	50	25	50	100.0%	100.0%	100.0%	100.0%
Distributable Value -- Priority Claims		\$ 14,008		\$ 12,514									
<u>Priority Claims</u>													
(-) Priority Claims	15	100	200	100	200	100	200	100	200	100.0%	100.0%	100.0%	100.0%
Distributable Value -- General Unsecured Claims		\$ 13,908		\$ 12,314									
<u>General Unsecured Claims</u>													
(-) General Unsecured Claims (Excl. Insiders)	16	5,000	5,500	5,000	5,500	5,000	5,500	5,000	5,500	100.0%	100.0%	100.0%	100.0%
(-) Insider Claim (Klee Irwin)	17	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	100.0%	100.0%	100.0%	100.0%
(-) Pending Litigation	18	—	—	—	—	—	—	—	—	—	—	—	—
Distributable Value -- Shareholders / Equity		\$ 7,872		\$ 5,778									

Irwin Naturals

Global Notes to Chapter 7 Liquidation Analysis

I. Dependence on Assumptions:

The liquidation analysis depends on several estimates and assumptions. Although developed and considered reasonable by the management and the advisors of the Debtors, the assumptions are inherently subject to significant economic, business, regulatory, and other uncertainties and contingencies beyond the Debtors' control or their management. Additionally, while the Debtors have made a reasonable effort to ensure that the liquidation analysis is accurate and complete based on information known to them at the time of preparation after reasonable inquiries, inadvertent errors or omissions may exist and/or of information may result in material changes in financial and other data contained in the analysis. The liquidation analysis is also based on the Debtors' best judgment of how numerous decisions in the liquidation process would be resolved. Accordingly, there can be no assurance that the values reflected in the liquidation analysis would be realized if the Debtors were, in fact, to undergo such liquidation, and actual results could vary materially and adversely from those contained herein. This liquidation analysis is also dependent on the assumption that the estates are liquidated under a substantive consolidation of the Debtors and that the intercompany claims between the Debtors are eliminated as such. No marshalling of recoveries have been negotiated to-date with creditors beyond any existing agreements; However, The remaining assets, liabilities, and employees are almost entirely housed within the Irwin Naturals Nevada entity. Based upon the above, the Debtors' believe this methodology produces the most logical illustration of recoverable value by classes in a chapter 7 liquidation.

Further, on August 8th, 2025, the Debtors closed on a sale for substantially all of its assets in exchange for a cash consideration and retention of its cash on hand, which exceeded \$4 million. Immediately following the closing of the sale, the Debtors paid its prepetition secured lender approximately \$23.2 million on account of their asserted secured claim, which included certain accrued fees and interest. The Debtors reserve all rights with respect to challenging the amounts asserted by the secured lender that were paid out.

II. Assumed Date of Conversion:

The hypothetical conversion of these estates to a chapter 7 proceeding is assumed to occur near or around the date of a contested confirmation hearing of the proposed plan of reorganization. For illustrative purposes, this analysis assumes that date occurs at the end of December 2025 during the week ending January 4, 2026 (the "Conversion Date") of the cash collateral budget filed on August 22, 2025, and detailed in ECF 774 (the "Cash Collateral Budget").

Except as otherwise noted, all liabilities, cash, receivables, and all other accounts in the liquidation analysis are set forth based on the most recent available financial information or estimates based upon the most recent financial information. Unless otherwise noted, all values are stated in United States currency. As additional information becomes available and further research is conducted, the Debtors may modify the constitution, values, and descriptions of these accounts accordingly.

III. Dependence on a Forecasted Financial Position:

This Liquidation Analysis contains numerous estimates regarding the Debtors' financial performance between now and the conversion date, which is still under review and subject to material change as the Debtors continue to administer their chapter 11 cases. For purposes of this analysis, forward looking estimates of the Debtors' financial position are reliant on the most recently filed Cash Collateral Budget.

IV. Chapter 7 Liquidation Process:

The liquidation and wind-down of the Debtors' estate is assumed to be completed over a period of 4-6 months from the Conversion Date, where the Debtors would liquidate any remaining assets, begin pursuing any litigation assets, and undergo wind down efforts across the remaining entities. Delays or prolonging of the liquidation process may result in additional wind down costs beyond what is reflected herein. The loss of the Debtors' remaining employees, advisors, and systems in a Chapter 7 liquidation would likely result in significant destruction of value as it relates to the recovery of the remaining assets which would be highly dependent on the cooperation and knowledge of management. Additionally, a Chapter 7 liquidation may create additional risk of unforeseen liabilities that could incrementally diminish recoverable value for shareholders.

V. Claims Estimates:

In preparing this Liquidation Analysis, the Debtors have estimated an amount of claims to be allowed by the court for each indicated type of claim where possible (the "Allowed Claims"). Allowed Claims were estimated to include certain Chapter 7 administrative obligations incurred after the Conversion Date. The Debtors also estimated accrued and outstanding claims from the Chapter 11 administration up until the point of conversion under the Cash Collateral Budget. Several of the estimates of Allowed Claims in this liquidation analysis are illustrative placeholders determined relative to the scheduled claims, filed claims, and the ongoing books and records of the Debtors; however, there is no certainty that additional claims will not arise from third parties, insiders, or parties unknown to the Debtors at this time. No order or finding has been entered or made by the bankruptcy court estimating or otherwise fixing the amount of claims at the projected Conversion Date set forth in this liquidation analysis. The estimated Allowed Claims set forth in this liquidation analysis should not be relied upon for any other purpose, including, without limitation, any determination of the value of any distribution to be made on account of Allowed Claims under the Debtors' proposed plan of reorganization. The actual amounts of allowed claims could be materially different from the amount of claims estimated in this liquidation analysis.

Irwin Naturals

Global Notes to Chapter 7 Liquidation Analysis

Footnotes To Liquidation Analysis Exhibit

1. Cash on Hand

For purposes of this analysis, the Debtors expect to receive additional cash amounts and make disbursements in accordance with the filed Cash Collateral Budget until the Conversion Date. The cash balance herein represents the Debtors' estimated cash on hand around the time of the hypothetical Conversion Date. As of September 4th, 2025, the Debtors had at least \$23 million of cash across its various bank accounts, which is in line with the filed forecast.

2. Insider Notes Receivable

Reflects notes payable by insiders to the Debtors as detailed in the schedules of assets and liabilities and statement of financial affairs. The Debtors' retention of this asset is dependent on the execution of a non-disparagement agreement between the Debtors and the buyer of the Debtors' assets, which has not been signed to date. If the non-disparagement agreement is not executed, the Buyer would retain this asset and it would be excluded from the Debtors' sources of recoveries. The collectability of these receivables are highly at risk if proceeds to the shareholders are insufficient to meet the insider's own obligations which may be senior to these claims.

3. Other Remnant Assets

Illustrative placeholder to account for the monetization of any remnant assets such as insurance deposits or uncollected tax refunds that are not already contemplated in the Cash Collateral Budget before the week ending January 4, 2026.

4. Other Litigation Assets

Placeholder for potential causes of action against third parties.

5. Ch. 7 Trustee Fees

Chapter 7 Trustee compensation calculated as 3% of the total estimated proceeds available for distribution.

6. Ch. 7 Trustee Professional Fees

Sensitized estimate of Chapter 7 Trustee professional fees including services related to legal, financial advisory, specialized accountants, claims agents, noticing, claims reconciliation and objections, and litigation. It is likely that overlapping or redundant professional costs would arise if the existing Chapter 11 professionals must be replaced by the trustee's own professionals.

7. Wind-Down Expenses (Professionals)

Illustrative costs associated with the wind down efforts of the estates in a chapter 7 that require outside professionals such as tax-related services for the 2025 tax year, the legal dissolution and closure of the Debtor entities, legal counsel needed to engage with the Canadian Securities Administrators, or other regulatory bodies such as the FDA. Additional professional services may be required beyond those listed herein. The Debtors' proposed plan of reorganization would not require the estate to bear the cost of many of these measures as it would continue as a going-concern upon emergence.

8. Wind-Down Expenses (Company)

Illustrative estimates for expenses necessary to wind-down the Debtors' Estates. Estimates include expenses for limited or key personnel, maintenance or transferring the books and records, independent contractors, onboarding Chapter 7 Trustee professionals, and any costs associated with the Debtors TSA with the Buyer (\$100 /hr. for use of former employees that were transferred to the Buyer as part of the sale). These amounts would likely include costs that are redundant to the Debtors' proposed plan of reorganization as a trustee would be more reliant on utilization of former employees if the Debtors' professionals were replaced.

9. Secured Claims

Immediately following the sale closing, the Debtors paid East West Bank approximately \$23.2 million on account of the amounts asserted by East West Bank for their prepetition secured claim. Further, the Debtors have paid East West Bank approximately \$1.5 million in post petition interest and \$900 thousand in post petition principal payments under the various cash collateral orders. The amount herein represents an illustrative estimate of the remaining asserted secured claim of East West Bank at Conversion Date and is comprised of fees and interest accrued in the months of August and July prior to the sale closing, but that were not included in the payments made to date. The Debtors have repeatedly requested a detailed accounting of East West Bank's asserted claims, which have not been provided as of September 4th, 2025. The Debtors reserve all rights with respect to the validity of these claims.

Irwin Naturals

Global Notes to Chapter 7 Liquidation Analysis

10. Professionals Fees Outstanding

Estimated accrued and unpaid Chapter 11 professional fees at the Conversion Date under the most recently filed Cash Collateral Budget. This professional fee estimate includes the \$3 million minimum transaction fee for STS Capital related to the sale of the Debtors' assets. The Debtors expect to continue accruing and paying professional fees as permitted under the Cash Collateral Budget in the coming months. The balance included in the "High" case sensitizes the balance projected in the Cash Collateral Budget downward by \$500 thousand for illustrative purposes. The Debtors' reserve all rights with respect to the allowance of these claims.

11. Post-Petition Taxes Payable

Sensitized amount (\$100 thousand to \$200 thousand) representing estimates of taxes being accrued due to the generation of profits after the Petition Date, which are expected to be at least partially offset by the Debtors' tax assets associated with historical operating losses, if not completely offset from other tax assets.

12. 503(b)(9) Claims

Placeholder for filed 503(b)(9) claims of prepetition unsecured creditors. The Debtors reserve all rights with respect to validating these claims.

13. Estimated UST Fees Outstanding

Sensitized amount representing estimates of accrued but unpaid fees from the United States Trustee at the time of the Conversion Date.

14. Administrative Trade Claims

An illustrative and sensitized estimate of chapter 11 administrative trade claims outstanding around the Conversion Date that are attributable to ordinary course services such as contractors, accounting systems, or other misc. ongoing costs contemplated in the Cash Collateral Budget. The purchaser of the Debtors' assets assumed substantively all of its non-bankruptcy related post petition liabilities as part of the sale, therefore, any accrued but unpaid balance by the Conversion Date is expected to be below or within the range contemplated herein.

15. Priority Claims

Represents priority unsecured claims primarily derived from employee wage related claims and taxing authorities. Preliminary analysis of the filed and scheduled priority unsecured claims estimated that Allowed Claims will likely range between \$100 and \$200 thousand. There have been a material number of priority tax claims filed against the Debtors in these cases that are expected to be disallowed or withdrawn as the Debtors work with the taxing authorities to remove these claims, file amended returns, or file returns to resolve estimated liabilities asserted by taxing authorities. The Debtors likely possess significant tax assets that will otherwise offset these amounts.

16. General Unsecured Claims (Excl. Insiders)

Illustrative estimate of all general unsecured claims as of the petition date (including the Debtors' prepetition landlord, trade creditors, and prepetition professionals). The Debtors reserve their right to object to any of the claims included in the estimates herein and the inclusion of any claim amounts in this analysis do not reflect an admission of the validity of any claim. Since the filing of this disclosure statement, the Debtors have conducted preliminary claims reconciliation efforts that suggest allowed general unsecured claims (excluding insiders and affiliates) will likely be between \$5 million and \$5.5 million. The Debtors' proposed plan of reorganization contemplates granting post petition interest to the prepetition unsecured creditors, which is not included herein. Further, insider claims from shareholders are not included in this amount and detailed below separately.

17. Insider Claim (Klee Irwin)

The claim of insider Klee Irwin, which is assumed to be allowed in a Chapter 7 liquidation.

18. Pending Litigation

No amounts were filed by these parties and this analysis assumes there will be no Allowed Claims related to.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **21650 Oxnard Street, Suite 500, Woodland Hills, CA 91367.**

A true and correct copy of the document(s) entitled: **JOINT DISCLOSURE STATEMENT DESCRIBING DEBTORS' AND COMMITTEE'S JOINT CHAPTER 11 PLAN OF REORGANIZATION** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the document(s) were served by the court via NEF and hyperlink to the document. On **September 10, 2025**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **September 10, 2025**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

*The Honorable Victoria Kaufman

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on , I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Served via email on EWB's counsel, committee counsel and UST counsel:

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 10, 2025

Date

JESSICA STUDLEY

Printed Name

/s/ Jessica Studley

Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

- Kyra E Andrassy kandrassy@raineslaw.com, bclark@raineslaw.com;csantiago@raineslaw.com
- Jessica L Bagdanov jbagdanov@bg.law, ecf@bg.law
- Ryan W Beall rbeall@go2.law, kadele@go2.law;dfitzgerald@go2.law;rbeall@ecf.courtdrive.com;cmeeker@go2.law
- Anthony Bisconti tbisconti@bklwlaw.com, 1193516420@filings.docketbird.com,docket@bklwlaw.com
- Matthew Bouslog mbouslog@allenmatkins.com, ncampos@allenmatkins.com
- Katherine Bunker kate.bunker@usdoj.gov
- Robert Allen Curtis rcurtis@foleybezek.com
- Erin R. Fay efay@wsgr.com, lmcgee@wsgr.com
- Jeffrey I Golden jgolden@go2.law, kadele@ecf.courtdrive.com;cbmeeker@gmail.com;lbracken@wglp.com;dfitzgerald@go2.law;golden.jeffreyi.b117954@notify.bestcase.com
- Alphamorlai Lamine Kebeh MKebeh@allenmatkins.com, mdiaz@allenmatkins.com
- Alexandria Lattner alattner@sheppardmullin.com, ehwalters@sheppardmullin.com
- Matthew A Macdonald matthew.macdonald@wsgr.com
- Sina Maghsoudi sinalegal@gmail.com, g8645@notify.cincompass.com;maghsoudi.sinab128731@notify.bestcase.com
- David W. Meadows david@davidwmeadowslaw.com
- Douglas A Plazak dplazak@rhlaw.com
- David M Poitras dpoitras@bg.law
- Terrel Ross tross@trcmllc.com
- Susan K Seflin sseflin@bg.law
- Jonathan Seligmann Shenson jshenson@greenbergglusker.com, calendar@greenbergglusker.com;cmillerwatkins@greenbergglusker.com
- Yuriko M Shikai yshikai@neufeldmarks.com
- Ashley M Teesdale ateesdale@bg.law, ecf@bg.law
- United States Trustee (SV) ustpregion16.wh.ecf@usdoj.gov
- Ronghua Sophia Wang sophia.wang@afslaw.com, yvonne.li@afslaw.com
- Pamela Kohlman Webster pwebster@buchalter.com, smartin@buchalter.com
- Jessica Wellington jwellington@bg.law, ecf@bg.law